

EAST TIMOR FROM INDONESIAN COLONY TO GLOBAL CAPITALIST OUTPOST: FANON AND THE PITFALLS OF NATIONAL CONSCIOUSNESS *)

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I. INTRODUCTION

THE history of post-revolution liberation movements has often been a history of the transition towards autocratic rule by former leaders of the liberation movements, through single-party states or quasi multi-party systems without any genuine opposition party. We have seen this happening in Ghana and Guinea-Konakry (Brooker, 1995: 99-128), or in the former African colonies in Africa, such as Guinea-Bissau, where former guerilla commander, Nino Vieira has ruled with iron fist for 15 years (Aditjondro, 1999a) and Sao Tome & Principe, where former independence leader, Manuel Pinto da Costa was still in power as president since 1975 (Denny and Ray, 1989). Also in Namibia, SWAPO leader Sam Nujoma was still in power, ten years after independence, and was most likely to be returned to power in the country's legislative and presidential elections on November 30 to December 1, 1999 (*Economist*, Dec. 4, 1999: 45).

Closer to home, we have seen a similar tendency happening in East Timor's former colonizer where, after failed attempts to set up a liberal democracy in the early 1950s, Indonesia was basically ruled by two autocrats, Sukarno and Suharto.

Therefore, it is interesting to observe what course Timor Lorosa'e (East Timor) is taking, after its people had decided, through a UN supervised referendum, to declare their independence from Indonesia. What has made it even more interesting is that Jose Alexandre Gusmao, or Kay Rala Xanana, the leader of Timor's independence movement has repeatedly stated in interviews prior to his return to his home country he did not want to repeat the historical mistake of having to preside over his newborn (or, reborn, as some may say) nation, after having lead the independence struggle for 17 years. Hence, he has refused to become Timor Lorosa'e's president and prefers to become an artist (*Oposisi*, Febr. 4-10, 1999: 8-9; *Tempo*, Oct. 31, 1999: 31).

And consistent with those earlier statements, even after leading the umbrella organization of the movement, CNRT (*Conselho Nacional do Resistencia Timorese* = National Council of Timorese Resistance) from within the country, he has repeated reiterated his refusal to accept the country's presidency.

To remind us about the pitfalls faced in the transformation of liberation movements into ruling elites of newborn countries, it is useful to recite the observations of Frantz Fanon. Thia Afro-Caribbean revolutionary thinker crossed over from the French psychiatry hospital in Algeria to become the most wellknown spokesperson of the Algerian independence movement until his death from leukemia at the age of 36 in 1961.

During the heat of the Algerian war Fanon observed the changes that were taking place in many newly liberated nation-states in Africa. Documented as Chapter 3 in his last and most brilliant book, *The wretched of the earth*, his observations may still be relevant in studying the transition of liberation movements into governments of the newborn nation-states. He stated among 'the pitfalls of national consciousness', the tendency of the national middle class to discover its 'historic mission: that of intermediary.' As Fanon put it so eloquently:

See through its [the middle class'] eyes, its mission has nothing to do with transforming the nation; it consists, prosaically, of being the transmission line between the nation and a capitalism, rampant through

camouflaged, which today puts on the masque of neo-colonialism. The national bourgeoisie will be quite content with the role of the Western bourgeoisie's business agent, and it will play its part without any complexes in a most dignified manner. But this same lucrative role, this cheap-jack's function, this meanness of outlook and this absence of all ambition symbolize the incapability of the national middle class to fulfill its historic role of bourgeoisie. Here, the dynamic, pioneer aspect, the characteristics of the inventor and of the discoverer of new worlds which are found in all national bourgeoisies are lamentably absent. In the colonial countries, the spirit of indulgence is dominant at the core of the bourgeoisie; and this is because the national bourgeoisie identifies itself with the Western bourgeoisie, from whom it has learnt its lessons. It follows the Western bourgeoisie along its path of negation and decadence without ever having emulated it in its first stages of exploration and invention, stages which are an acquisition of that Western bourgeoisie whatever the circumstances. In its beginnings, the national bourgeoisie of the colonial countries identifies itself with the decadence of the bourgeoisie of the West. We need not think that it is jumping ahead; it is in fact beginning at the end. It is already senile before it has come to know the pertulance, the fearlessness or the will to succeed of youth.

The national bourgeoisie will be greatly helped on its way towards decadence by the Western bourgeoisies, who come to it as tourists avid for the exotic, for big-game hunting and for casinos. The national bourgeoisie organizes centres of rest and relaxation and pleasure resorts to meet the wishes of the Western bourgeoisie. Such activity is given the name of tourism, and for the occasion will be built up a national industry (1974: 122-123).

To study the transitions taking place in this post-revolution society, I conducted the following research techniques. I first carried out a field trip to re-familiarise myself with post-referendum Timor Lorosa'e. My field trip began with attending the first commemoration of the November 12 massacre in Dili without the notorious Indonesian troops and plainclothes informers. Then, informed by 25 years (1974-1999) observation of Timor Lorosa'e as a journalist, community development worker, and later, as an academic, I observed first hand the changes which have occurred since the Timorese people voted overwhelmingly for independence. And finally, I tried to gather as much information about the old and new economic actors in Timor from library research as well as written and phone interviews.

II. POLITICAL TRANSFORMATION

TIMOR LOROSA'E is still a quasi-independent country, where foreign nationals making all strategic decisions. For the next two to three years, the Timor Lorosa'e people -- many of them prefer to be called, the Maubere people -- are still to be administered by UN officials through the UN Transition Authority of East Timor (UNTAET), which is headed by a Brazilian diplomat, Sergio Vieira de Mello, as Special Representative of the Secretary General (SRSG). His administrative power is supported by the economic muscles of the World Bank, which has appointed a senior official, Klaus Rohland, to be the Bank's director responsible for reconstruction of the country.

Security of the country is also still in the hands of the UN Peace Keeping Forces under the command of the Filipino Lieutenant General Jaime dos Santos, after the mandate of the InterFET (International Forces for East Timor) troops under command of Major General Peter Cosgrove from the Australian Defense Forces had terminated in February 2000.

Officially, in all these functions -- administration, economic planning, and security -- the UN officials have Timorese counterparts. Sergio de Mello's counterpart is the overall leader of the Timor Lorosa'e liberation movement, Xanana. Klaus Rohland's counterpart is Mario Viegas Carrascalao. And the *de facto* counterpart of General dos Santos is again Xanana, whom apart from being the president of the National Council of Timorese Resistance, or CNRT, is also the Commander of CNRT's military wing, FALINTIL.

a. Questions on Representativeness:

There are still some problems with this parallel Timorese structure, though. The three foreign officials mentioned earlier clearly have someone to whom they are responsible, namely the UN Secretary General in New York and the World Bank President in Washington, DC. Meanwhile, to whom are Xanana, Mario Carrascalao and Taur Matan Ruak accountable in co-administering their country's civilian and military affairs?

If they are part of an embryonal government of an independent Timor Lorosa'e, where is the embryonal parliament to whom they have to be accountable?

This is an important political problem, which the foreign media -- which until this moment, seems to be the only source of information on Timor Lorosa'e -- have forsaken, in their frequent references to Xanana Gusmao as the most likely first president, or even "president designate" of the newborn nation.

Timor Lorosa'e is still a nation without a state. CNRT, which was the umbrella organisation of the liberation movement, still has to set up a framework for a state. A democratic state, that is, and not an authoritarian state, which may create problems of legitimacy with its own people in the future.

James Dunn, a former Australian diplomat in Dili and long time supporter of the independence struggle suggested that the UNTAET should learn from the experience of Namibia. In that former South African colony, the question of what status to give the SWAPO was resolved by the UN administration by recognising SWAPO as "the authentic representative of the Namibian people", until elections could be arranged. Dunn believes, that "CNRT has earned the right to be regarded as the authentic representative of the Timorese people until elections can be held".

The basis of his argument is three fold. First, CNRT has brought together the leaders of all the main Timorese parties, including FRETILIN and the UDT which in August 1975 were briefly in conflict, and even members of APODETI, that once championed intergration with Indonesia. Secondly, CNRT is endowed with leaders of distinction, especially Xanana Gusmao, Jose Ramos-Horta, and Mario Carrascalao (Dunn, 1999a).

Both arguments could be questioned on three counts. First of all, as mentioned earlier, the Timorese people would not necessarily want to repeat the history of Namibia, where ten years after shrugging off colonial rule the liberation hero has turned into an autocratic ruler of a one-party-dominated state amid popular disenchantment.

Secondly, a quarter of a century after UDT and FRETILIN were established, the old party rivalry are no more relevant. FRETILIN's national conference in Sydney, Australia in August 1998 scrapped the "agrarian reform" point from the party's new manual and political programs, and replaced it with a more market-oriented and capitalistic sounding formulation:

Defining a national Agriculture and Rural Assistance Policy which achieves equilibrium between the need to develop family agriculture and the green belt of the cities with the promotion and encouragement of the entrepreneurial capacity of private individuals in export production, creatively exploring the potential of micro-climates for the diversification of production (FRETILIN, 1998: 20).

This is indeed a major shift from the original 'Economic Reconstruction' programme, which stated that:

All large farms will be expropriated and returned to the people and will be used within the co-operative system. Fertile lands not under cultivation will be distributed to the people and will be utilized in co-operatives or by State enterprises (Hill, 1978: 100).

On the other hand, Mario Carrascalao, a co-founder of UDT, suggested that all the large private coffee plantations should be taken over by the newborn state with a proper compensations to the former owners, and then redistributed to the coffee growers. "In this way we could create more jobs for the farmers," he argued, refusing to be drawn into a discussion on whether his idea mirrors FRETILIN's original political platform, which had been so strongly opposed by UDT in the mid-1970s (Interview with the author in Darwin on Nov. 11, 1999).

The socialist leaning of FRETILIN, meanwhile, has also watered down among the older leaders, including among those who had spent most of their fighting years in Mozambique which was for decades ruled by a Marxist-Leninist liberation movement, FRELIMO. Last August, in an interview in New York with one of the leaders who had lived for two decades in Mozambique, he said that the experience of living in a socialist country had taught him to avoid Timor Lorosa'e from following such path.

On the other hand, this *liurai* son from Luca (Viqueque) suggested that an independent Timor Lorosa'e -- and FRETILIN in particular -- should respect the customary laws of the different ethno-linguistic groups in the country, and take those laws into considerations in designing the new state's political and economic systems. In other words, for him, state socialism is out but a more clan-based socialism is welcome.

Thirdly, the Left in Timor Lorosa'e is certainly not only embodied by FRETILIN, which is currently seeking to reaffirm its social democratic line by joining Socialist International.

A new leftist group has emerged from among many former FRETILIN members, and have formalised themselves into a new political party, PST (*Partido Socialista de Timor*). This party originally emerged as an association of Socialist activists within FRETILIN, and called itself AST (*Associacacao Socialista de Timor*). They had left FRETILIN in protest against the formation of the National Council of Maubere Resistance (CNRM = *Concelho Nacional de Resistencia Maubere*) in the occupied country on December 31, 1988. They also left FRETILIN in protest against the decision of FRETILIN's diplomatic front to de-recognise the Democratic Republic of East Timor, or RDTL (*Republica Democratica de Timor Leste*) which was unilaterally declared by FRETILIN on November 28, 1975.

Unfortunately, AST lost some of its credibility among East Timor supporters in Indonesia and also among fellow Timorese nationalists when the organisation sided with Abilio de Araujo. In August 1993, this Lisbon-based former FRETILIN leader was suspended from the Central Committee of FRETILIN as well as its Representative in Europe, when he responded positively to approaches by Suharto's eldest daughter, Siti Hardiyanti Rukmana, who had set up a Portuguese-Indonesian friendship association to undermine the pro-independence diplomatic campaign of FRETILIN and Ramos-Horta's overseas CNRM network.

In a so-called "reconciliation process" among pro-independence and pro-Jakarta Timorese, Ms. Rukmana sponsored a "re-union" of Timorese from Portugal, Macau, Indonesia and Timor Lorosa'e in Chepstow, just outside London. This "London Meeting," which took place from 14 to 15 December 1993, was organised by then Indonesian Ambassador to UK and Ireland, J.E. Habibie (Gunn, 1997: 45-48).

By actively participating in this "London Meeting", Abilio de Araujo lend some credit to Ms. Rukmana's "reconciliation" campaign, since he was described by Suharto's daughter -- and many ignorant Indonesian journalists -- as "the FRETILIN leader", thereby creating an impression that FRETILIN had dropped its call for full-independence. After several reprimands, Abilio de Araujo was officially expelled from the party during the Plenary meeting of FRETILIN's External Delegation in April 1994.

Since AST publicly supported the London Meeting in which Abilio de Araujo had taken part (van Klinken, 1997a), a further rift emerged between this organisation and RENETIL, which wholeheartedly supported Xanana's position as the overall leader of the Timorese resistance and Ramos-Horta's position as the leader of the diplomatic front. AST could not, however, simply be categorized as "Abilio de Araujo's puppet". Their underground bulletin, *Funu*, and photocopied speeches of their general secretary, Avelino Maria Coelho da Silva, do recognise Xanana as the overall leader of the Maubere resistance.

These two underground organisations operated in Indonesia with two different strategies. First, in its bulletins and speeches, AST explicitly revived the ideas of FRETILIN's Marxist faction, which originated from the small group of Timorese students who returned from Lisbon to Dili in mid 1975, and who were mobilised massive support for FRETILIN from villagers through their populist literacy program and rural cooperatives. Nearly all of members of that group

have died in the battlefield, except Abilio de Araujo and his wife, Guilhermina dos Santos de Araujo.

The couple had left Timor before RDTL's declaration of independence on November 28, 1975, to carry out a diplomatic mission in Lisbon. Abilio was still appointed as Minister for Economic and Social Affairs, since he was expected to return in the next few days with another expatriate minister (Jolliffe, 1978: 219; Freney, 1991: 357).

RENETIL, meanwhile, has taken a non-partisan line following the example of Xanana and the CNRM, of which it was a member organisation. Besides, RENETIL accommodate students whose parents did not come from FRETILIN background. In fact, 48% of its members come from parents with an APODETI background, 26% have parents with an UDT background, and only 24% have parents with a FRETILIN background (da Silva Lopes, 1996).

The second difference in strategy between AST and RENETIL was in dealing with the structure which the Indonesian military had set up to control the Timorese university students in Indonesia. AST's stance towards this structure, popularly called IMPETTU but different from one university town to another, was confrontational. Since it was a creation of the Indonesian government, with military commanders in each city as its patron, IMPETTU had to be attacked and avoided.

RENETIL, on the contrary, adopted a more 'subversive' attitude towards the then decentralised IMPETTU chapters in each university town. RENETIL members were strongly encouraged to run for IMPETTU elections, and by 1995, nearly all IMPETTU chapters were led – or at least, dominated – by RENETIL militants. From there on it was an easy step to consolidate all the chapters under a national umbrella, called DPP (*Dewan Pimpinan Pusat*) IMPETTU. This decision took place in a nation-wide congress of its chapters on June 5-6, 1998 in Yogyakarta, three weeks after Suharto was forced to step down. During that congress, the massive demonstrations in front of the Indonesian Ministry of Foreign Affairs on June 12, 1998 was also planned.

Based on this strategy, RENETIL -- which has only around 1,300 members -- could dominate the around 5,000 Timorese students in Indonesia, who were all forced by the Indonesian authorities to join local IMPETTU chapters. The two organisations, RENETIL and IMPETTU currently somewhat overlap, since the chair of IMPETTU's national board, Mariano Sabino Lopes, is also the deputy secretary general of RENETIL. He had previously led the IMPETTU chapter in Malang, East Java, while studying for his agronomist degree.

In the mean time, AST remained a small and lesser known organisation, which only received national notoriety during two major events in 1997. The first event was the arrest in September of four AST members for assembling a bomb in a village in Demak, Central Java, which they had planned to smuggle into Timor Lorosa'e. The bomb had exploded prematurely and the four AST members went into hiding in the Central Java capital, Semarang, where they were immediately arrested by the Indonesian military.

The consequent trial of four AST members become a focus of solidarity demonstrations by other Timorese student activists, and popularised the name

of AST in the Indonesian media. After a lengthy trial, the 'Semarang four' were eventually acquitted (ETHRC, 1998: 16-17).

The 'Demak bomb-making case' also brought AST closer to Xanana. The imprisoned resistance leader took full-responsibility of the bomb-making plan (*Sydney Morning Herald*, Nov. 20, 1997).

AST's secretary general knew that the interrogations of his comrades could lead to his arrest as well. Hence, on September 19, 1997, Avelino and his wife, their two children, and two other AST comrades sought refuge in the Austrian embassy and asked to be deported to Portugal.

In early 1999, before Avelino and his family and friends left the Austrian Embassy, his comrades further popularised PST in Indonesia through several campaigns in Jakarta. On March 9, around one hundred PST members demonstrated in front of the UN office as well as Dutch and Austrian embassies, demanding the release of Xanana Gusmao as well as their own comrades in the Austrian embassy. That demonstration was led by Flarinando Coimbra. Then, on March 26, some members of PST's Central Committee came to the Electoral Commission in Jakarta to protest against the planned Indonesian general election in Timor Lorosa'e. This second action was led by Nelson Tomas Correia, a PST political commissar and spokesperson (*Detikcom*, March 25, 1999).

The emergence of this new Timorese political party received strong support from two ideological sisters, the Indonesian People's Democratic Party, or PRD (*Partai Rakyat Demokratik*) and the Australian Democratic Socialist Party (DSP) through its sister organisation, ASIET (Action in Solidarity for Indonesia and East Timor).

Then, after nearly 20 months staying at the embassy, Avelino and his group left the Austrian embassy, to regain the leadership of PST. He spent several months going back and forth between Dili and Jakarta before returning to Dili around September 2. He was also in Dili in the lead up to the August 30 referendum, and stayed with the refugees in the hills of Dare and helped to reorganise the refugees return to Dili, after the InterFET troops landed on September 20.

Before the referendum, Avelino's party had called for the formation of a "transitional Democratic Collective Government to represent all the existing political forces in Timor Lorosa'e" (*Detikcom*, March 25, 1999). To a certain degree, this idea was incorporated by Xanana through the formation of a Transitional Council. These seven persons, Avelino included, are part of a National Consultative Council which has been set up by Sergio Vieira de Melo, the head of UN Transitional Administration of East Timor (UNTAET), to act as the country's interim government (Dunn, 1999b).

PST itself has not – and most likely will not -- join CNRT. As is the case with many FRETILIN militants, PST is still unhappy with the de-recognition of the Democratic Republic of East Timor (DRET), *Republica Democratica de Timor Leste* (RDTL), by FRETILIN and UDT's diplomatic front in the early 1980s. Hence, it has initiated the formation of the Council for the Popular Defense of the RDTL, or CPD-RDTL.

This organisation attempts to consolidate support for the reaffirmation of the 1975 RDTL, which is part of PST's political platform. To attract popular support, CPD-RDTL organised a massive demonstration of students that protested the May 5, 1999 agreement in New York which trusted the Indonesian forces with security in Timor Lorosa'e until the referendum. The CPD-RDTL office in Dili also daily flies the red, black and yellow RDTL flag, which was also accepted as the "national flag" by Timorese activists at home and abroad in their public protests, until the FALINTIL flag was modified to become the CNRT flag in 1998 (Lane, 1999).

Apart from those political activities, PST has also began to initiate economic and cultural activities in their homeland. In cooperation with their Australian counterpart, ASIET, they have formed the Maubere Cooperative Foundation (KOPERMAR), which organises small coffee farmers, plantation workers and other villagers in Ermera, Liquica, Manufahi and Aileu, where KOPERMAR branch offices have been severely bruised during the post-referendum terror campaign.

This joint Timorese-Australian endeavour plans to develop a 15-hectare sustainable farm near Manatuto, east of Dili. Some 90% of the town's infrastructure was destroyed by the Indonesian military and their Timorese collaborators. The land was donated to the cooperative by a local family. KOPERMAR activists hope that this sustainable farm project will generate income for other local self-sustaining activities.

While reviving those economically oriented activities, KOPERMAR is also active on the educational front. It seeks to publish a newspaper, called *Tuba*, and has began to conduct English-language classes. Around 1500 eager Timorese, ranging in age from nine to 40, were crammed last November from 7 AM to 7 PM in a makeshift classroom with no in-house sanitation, illuminated by a solitary light bulb. Five teachers also helped these students to take their primary and secondary school examinations (Lane, 1999; Riggs, 1999).

In their first exercise to show their force, on Wednesday, January 5, PST mobilised a demonstration of 400 people at the gates of the UNTAET headquarters to protest for the rights of the East Timorese people. Or, to be more precise, the Maubere people, as they prefer to call the impoverished and down-trodden people of Timor Lorosa'e. The protestors presented five demands to the UNTAET, namely stop the importation of foreign labour, give the East Timorese the chance to work; lower the cost of food and construction materials; lift the minimum wage; and broaden rice and other food distribution (*ASIET News Update*, Jan. 10, 2000).

Meanwhile, a third leftist group has emerged in Timor Lorosa'e. It is not a political party with massive members, such as FRETILIN and PST, but more of a discussion and research institute. Initially called Sa'he Study Club (SSC), the Sa'he Institute for Liberation it was founded in Indonesia in early 1999 by young Timorese activists who saw the need for a deeper reflection on what economic and political directions their future country should take, after gaining its political independence.

Sa'he founders were especially worried about the drive by certain CNRT leaders to promote the country to foreign investors. As one Sa'he activist wrote

to me in February 1999: "Where do they [those CNRT leaders] want to take our country? Has it to become like Indonesia, or at least like Timika [in West Papua] with its Freeport mine? Will they turn Atauro and Jacko into another Christmas Island? Is it enough that decisions concerning the exploration of the Timor Gap will be taken only by the leaders, without consulting the people?"

Initially, benefitting from the presence of former FRETILIN leader and first RDTL president Francisco Xavier do Amaral in Jakarta, they began to discuss Helen Hill's 1978 MA thesis at Monash University on FRETILIN, which they have translated the thesis into Indonesian to reach a wider audience in Indonesia and Timor Lorosa'e. Next, they began to focus on FRETILIN's 'sister' organisations in Africa, especially PAIGC (*Partido Africano da Independencia da Guine e Cabo Verde*) and FRELIMO (*Frente de Libertacao de Mocambique*). As a result of those discussions, they have translated two books on Amilcar Cabral and Samora Machel's revolutionary theories, as applied in Guinea-Bissau and Mozambique, jointly published with a Timorese human rights group, the HAK Foundation.

Combining action with reflection, Sa'he also published their analysis on the pitfalls of the Indonesian autonomy offer, and distributed it among villagers in Timor Lorosa'e, where they educated the people about the forthcoming August 30 referendum. Sa'hes membership encompasses members of RENETIL and other groups – HAK, FRONPETIL, and MORIS DAME, which will be discussed later – as well as other Timorese not affiliated with all those organisations. Its director is a young lawyer, Aderito de Jesus Soares.

b. Civilian versus military/generation gap:

Meanwhile, a quarter of a century after FRETILIN and UDT were founded, other real and potential contradictions among the Timorese people have come to the forefront. First of all, there is a widening 'military versus civilian' gap between the 1,000 to 2,000 people who joined the armed struggle in the mountains of Timor Lorosa'e, and the ten times more young people who fought the occupation forces right on their own turf, namely in the cities of Timor Lorosa'e and Indonesia.

Since Xanana returned to his home country, and eventually decided to reside in Aileu among his former guerilla army, these young Timorese who had not joined the FALINTIL but had faced the Indonesian troops in unarmed, non-violent civil disobedience actions in the cities of Timor Lorosa'e and Indonesia, have felt themselves alienated not only by the UN and other foreigners, but also alienated by their own leader.

This feeling of alienation may have been further aggravated by Xanana's comments and behaviour, which shows the leader's identification more with the former guerilla army than with the young people. On November 19, 1999, Xanana took the radical step to lead a group of twenty guerillas to protest the behaviour of the InterFET troops that continued to disarm them outside their cantonment areas.

This action was taken in full daylight, in front of the foreign media and in front of the UN headquarters. Under the command of Xanana, the FALINTIL guerillas blocked Mayore General Cosgrove from entering the UN compound (*West Australian*, Nov. 20, 1999). Then, ten days later, in an interview with a

major Australian newspaper, at his house in Aileu, Xanana stated that "I'm more the leader of FALINTIL than the president of CNRT" (*The Australian*, Dec. 1, 1999).

Being the leader of FALINTIL and CNRT is for Xanana indeed not an either-or issue. First, he is both the president of CNRT as well as the commander of FALINTIL. Second, the deputy commander of FALINTIL, Taur Matan Ruak, is also a member of CNRT's Transitional Council. This body of seven persons represents the Timorese in the UN Steering Council. In other words, FALINTIL is overly represented in the Transitional Council, where UDT, FRETILIN, PST, and OMT, all have one representative.

This preference to be identified with FALINTIL and the lack of appreciation of for the non-violent and unarmed struggle of thousands of young Timorese in the cities and towns of Timor Lorosa'e and Indonesia is not taken lightly by these young people, for various reasons. First of all, the struggle in the cities which was pioneered by young people – such as Constancio Pinto, who currently studies at Columbia University in New York – was what revived the international attention and solidarity with the Timor cause. The decisive moment was the November 12, 1991 massacre that took between 270 and 400 young lives.

Before and after the Santa Cruz massacre, however, many more young unarmed people had been killed by the Indonesian soldiers in the cities. These sacrifices on the altar of national liberation certainly far surpass the number of armed guerillas in the mountains killed by Indonesian soldiers in the bush, since most ambushes took place when the odds were against the occupation forces.

Therefore, it is interesting to observe how after returning to his home country, Xanana took the time to console the widows of fallen FALINTIL heroes in Baucau, but did not take the time to join the young people in the first Santa Cruz massacre commemoration after independence.

Secondly, members of the Timorese student resistance movement, RENETIL, had continued to serve as estafetas between the two wings of the resistance in the occupied country, namely FALINTIL and the clandestine front, with the movement in Indonesia and with Xanana himself during his imprisonment in Cipinang, Jakarta. After wave after wave of RENETIL activists jumped over the embassy fences in Jakarta, they had maintained their links with Xanana and kept consulting with Xanana in carrying out their actions. Actions, which continued to bring the Timor cause in the international daylight.

Thirdly, after Xanana was moved from the Cipinang jail to house arrest in the Salemba neighbourhood in Jakarta, RENETIL militants and their Indonesian comrades began to observe, how Xanana began to dissociate himself from the young Timorese, and prioritised meetings with diplomats and other foreigners, who were considered to be more crucial, at that stage, to influence opinions in the remaining superpower in the world: the U.S.A. One of his current staff persons described the move quite accurately:

February 10: Xanana Gusmao moved to house arrest. From here he conducts a virtual Presidential office, greeting envoys from world leaders on a regular basis (ETRA, 1999).

Finally, after Xanana returned to Timor Lorosa'e -- via Darwin, New York, Washington, and Lisbon -- the thousands of Timorese students and young graduates who had to be repatriated by the UN from Indonesia to save them from military and militia terror discovered how the CNRT had already deeply scaffolded itself with Portuguese and English-speaking elite from the diaspora. Most of the young Timorese who have been recruited by the various CNRT bodies in Darwin, Dili and Aileu had fled with their parents in the 1970s and grew up in Australia or Portugal.

In other words, a growing gap is emerging between the 1975 resistance leaders plus the diaspora elite and the young Timorese who grew up living under the Indonesian occupation, which they had forcefully opposed from within. Ironically, the man who had been their main source of inspiration, whose name they had shouted in all their demonstrations, and whose image had loomed large on their banners and T-shirts, seems to feel much more comfortable among his former guerilla comrades and the Portuguese speaking diaspora elite, than with this upcoming Timorese intelligentsia.

This is the general feeling among the leaders of the following Timorese organisations which had been set up in Indonesia and in Timor Lorosa'e during the occupation:

= National Resistance of the Students of East Timor, or RENETIL (*Resistencia Nacional dos Etudantes de Timor Leste*), which was founded in Bali on June 20, 1988, and has currently, about 1,300 members who have to swear their allegiance to become a RENETIL militant. Its former secretary general, Fernando de Araujo, had spent years in the Cipinang jail after organising the first joint Indonesian-Timorese student demonstration in Jakarta after the Santa Cruz massacre. After about hundreds of its members fled to Portugal through various embassies in Jakarta, their overseas network in Lisbon coordinated RENETIL's diplomacy campaign in Europe and North Africa, paralleling the overseas FRETILIN and CNRT diplomatic fronts. This network was coordinated by Carlos da Silva Lopes and had linked up with the pro-West Sahara activists in Spain, includes around one hundred young RENETIL activists, based in several European countries (Aditjondro, 1996: xxiv-xxv).

= East Timorese Catholic Youth and Student Organisation, or OJECTIL (*Organicacao Juvens e Estudantes Catolicos de Timor Leste*). This organisation was set up in the occupied territory in 1989, and has been involved in mass actions during visits of foreign dignitaries, beginning with the visit of Pope John Paul II in October 1989. Side by side with RENETIL, which operated in Indonesia, OJECTIL was coordinated by the clandestine front of what was then still known as the CNRM (*Conselho Nacional de Resistencia Maubere*), or the Maubere Resistance National Council. Its leader, Gregorio da Cunha Saldanha, who was the principal organiser of the 1991 Santa Cruz demonstration, had received a prison sentence as harsh as Xanana, namely life sentence. He has been released from jail and has returned to his home country (da Silva, 1994: 100, 107-109; Cobra, 1994; ETHRC, 1998: 18).

OJECTIL has uninterruptedly been involved in pitch battles with the Indonesian military and police as well as with the various pro-Jakarta paramilitary youths organisations, such as the *ninjas*, Garda Paksi, and later on the militias, which were founded and supported by the KOPASSUS clique of ex-Lieutenant General Prabowo Subianto, Suharto's son-in-law. It is currently led by Aleixo da Silva (29 years), aka Aleixo Cobra, famous for his battles against the KOPASSUS-backed militia groups in Becora, the strongest pro-independence neighbourhood in Dili, and has a membership of around 20,000 youth.

= East Timor Students Association, or IMPETTU (*Ikatan Mahasiswa dan Pelajar Timor Timur*), which initially consisted of Indonesian-controlled decentralised city-based East Timorese student associations. It has about 5,000 members, because all Timorese students in Indonesia were automatically registered as members of each city-based association. It is led by a young agronomist, Mariano Sabino Lopes, who is also the vice secretary general of RENETIL. IMPETTU is currently organising several working groups of students and young graduates to reconstruct their war-torn country.

= MORIS DAME (Peaceful Life) is an association of the around 400 Timorese youth who were recruited by Suharto's eldest daughter, Siti Hardiyanti Rukmana to work at several factories in Indonesia owned by members of the Suharto family and their cronies.

= National Front of East Timorese Youth, or FRONPETIL (*Front Nasional Pemuda Timor Leste*), which began to organise Timorese youth demonstrations in Jakarta, after Suharto stepped down, and unites the Timorese students and workers in Indonesia. Hence, its members come from RENETIL, PST, MORIS DAME, and other young Timorese in Indonesia. It made its debut when they organised a demonstration of about 700 young Timorese in front of the Indonesian Foreign Affairs Ministry in Jakarta on June 12, 1998, where 26 young Timorese who had come from various cities in Indonesia were seriously injured by the Indonesian troops. Its secretary general is Tome Xavier.

= East Timor Student Solidarity Council (ETSSC), or DSMPPTT (*Dewan Solidaritas Mahasiswa, Pelajar dan Pemuda Timor Timur*), which was founded on June 8, 1998, by students from the East Timor University (UNTIM) and other tertiary educational institutions in Dili. Under the leadership of Antero Benedito da Silva, a drop-out from a seminary in Manila who returned to his country to organise the young people, after the fall of Suharto, this organisation has instantly spread its pro-independence forums from Dili to other towns and villages of East Timor (Taudevin, 1999: 148). For his leadership, Antero da Silva was awarded the Student Peace Prize at the International Student Festival in Trondheim, Norway on March 12, 1999.

= Graduates Forum for Referendum & Development of Timor Lorosa'e, or FORSAREPETIL (*Forum Sarjana Pro-Referendum & Pengembangan Timor Lorosa'e*). This is another new organisation set up by East Timorese intellectuals who graduated from universities in Timor Lorosa'e as well as in Indonesia. This organisation seems to be more closely affiliated to CNRT. Their leader is Domingos Sousa, who studied medicine.

= Timorese Socialist Party (PST) (see previous section).

= HAK Foundation, Timor Lorosa'e's first secular human rights monitoring organisation, was founded on March 22, 1997 by a group of young Timorese lawyers and theologians. They immediately become the target of military and paramilitary harassments, which culminated in an attack on their office in the Farol neighbourhood only days after the results of the referendum was announced by the UN. It is directed by a young lawyer, Aniceto Guterres Lopes.

= Sa'he Institute for Liberation (see previous section)

= East Timor Human Rights Commission, or CDHTL (*Commissao dos Direitos Humanos de Timor Leste*), which was recently set up in Dili after the referendum. It is coordinated by Isabel da Costa Fereira, assisted by a young Timorese anthropologist, Yvette de Oliveira, who wrote her Honours thesis about the radical feminist Timorese organisation, OPMT, and specifically handles human rights violations against women. In addition, several young lawyers and human rights activists who previously worked with HAK in the occupied country and with TAPOL in London who also joined the Commission. Since its recent founding, the Commission has investigated 364 cases of killings in Dili and the nearby towns of Hera and Tabar, from October 2 until October 22, 1999 (*Sydney Morning Herald*, Nov. 12, 1999).

Numerous members of these organisations have been killed by the Indonesian troops and collaborators during their campaign to educate villagers about the August 30 referendum, or when they were worked for the numerous referendum watchdog teams in the country side. In Indonesia itself, many of their members have been kidnapped, detained, and tortured due to their mass actions demanding the release of Xanana Gusmao and a referendum in Timor Lorosa'e.

Therefore, it is understandable that there is a growing dissatisfaction among these young 'home-grown' activists to see how in such a short time, their peers from the diaspora, who did not have to suffer in the heat of the battles against the occupation forces, have suddenly turned themselves -- with Xanana's blessing -- into the future bureaucrats of Timor Lorosa'e.

Interestingly, this tendency has already been foreseen by an Australian development consultant, Lansell Taudevin, who had spent the last critical five years in Timor Lorosa'e. In the latest edition of his book written after the Indonesian and Australian governments forced him out of the country, he questioned:

Who is to say that the Portuguese, with the best will in the world, will not move in en masse and create the child they never created centuries ago? With their support in the Portuguese-speaking diaspora, a new elite could emerge from amongst those who have spent most of the last twenty-five years overseas. The skills of the diaspora are essential to a future East Timorese nation, but not at the expense of those who remained in East Timor (Taudevin, 1999: 300).

Indeed, by insisting that Portuguese should become the official language of the newly independent nation-state, which should begin with turning Portuguese into the language of education and by insisting that the *escudo* should become the national currency, the CNRT elite has further alienated themselves from the

Indonesian-educated intelligentsia of Timor Lorosa'e (*Sydney Morning Herald* , Nov. 5 & Dec. 3, 1999).

On this language issue, allow me to present my personal view. It is a great idea for Timor Lorosa'e to join the association of Portuguese-speaking countries and to obtain export privileges into the European market through Portugal. With around 200 million speakers in Brazil, Portugal, and the five Portuguese-speaking countries in Africa (Angola, Mozambique, Guinea-Bissau, Cabo Verde and Sao Tome e Principe), the Timorese people will have the advantage of exchange the experiences of those fellow developing countries and learn from their successes as well as mistakes.

The tendency of Brazil and many Luso-African countries to reproduce Portuguese style of bureaucracy and formalism, as well as the tendency of Brazil to favour economic growth at all cost, are certainly negative aspects which the Timorese should avoid from reproducing. On the other hand, however, mastering Portuguese would enable many young Timorese to study the progressive thoughts from Brazil and Africa, which had aided FRETILIN in the 1970s and which PST and the Sa'he Institute of Liberation are currently reviving.

The problem comes if the Portuguese speaking UNTAET chief, Sergio de Melo will lend his support to the top-down tendency of the CNRT elite to force Portuguese to become *the* language of education and commerce. This will certainly further marginalise the young Indonesian-educated people, the rural people, and the women, who are currently more at home with Tetun and Indonesian. Simply rejecting Indonesian since it is considered to be their former coloniser's language is too naive, since Portuguese itself was also once a colonial language.

So, a creative solution should be found, in a dialogical way, as the late Brazilian educator, Paulo Freire, suggested in Guinea-Bissau. And while Freire's suggestion of adopting Guinean Creole was flatly turned down by the PAIGC elite who had become the new rulers of the country, who were more in favour of Portuguese as the national language (see Freire, 1983), a similar mistake should not be repeated in Timor Lorosa'e.

c. Gender gap:

In according with the dominant culture in Timorese society, women -- or *buibere* , in the revolutionary parlance -- are under-represented in CNRT. The only woman among the seven-members Transitional Council is Felicidade Guterres. She is also a member of the newly established Timorese alumni association, FORSAREPETIL, and a graduate from the Indonesian-backed University of East Timor (UNTIM).

Outside this Transitional Council, there are four other channels for Timorese women to raise their aspirations. The first one is the Popular Organisation of Timorese Women, or OPMT (*Organicao Popular da Mulher de Timor*), FRETILIN's women's wing, which has had its members among the guerilla fighters as well as in the clandestine front in the cities and towns of Timor Lorosa'e (Aditjondro, 1999b).

This organisation plans a nation-wide re-surface as soon as FRETILIN holds its congress and conference next year. Indirectly, it has a link with CNRT, since the highest ranking woman in FRETILIN's hierarchy, Ana Pessoa Pinto, who is also an OPMT cadre, has been invited to sit on CNRT's Political National Council (CPN), which is also headed by Xanana. She has spent most of her fighting years in Maputo, Mozambique, where she obtained her law degree from the University of Eduardo Mondlane and has worked in the Mozambican justice system.

When CNRT was officially established in Dili and opened its office, OPMT leaders decided to drop the "P" in their abbreviation to become OMT.

Then, the second organisation is the East Timorese Womens Against Violence (ETWAVE). This organisation is led by Maria Olandina F.C. Alves-Cairo, a poet and former broadcaster for FRETILIN's Radio Maubere, who has been repeatedly arrested, detained and harassed by the notorious Indonesian army intelligence unit, SGI, in Timor Lorosa'e.

After being sacked from the Indonesian provincial government, she had opened two little restaurants, the first one in Bidau and the other one on Dili's beach, which were both burned down by the military and paramilitary forces during the post-referendum horror. During my first visit to Dili after the referendum, last November, ETWAVE had taken over the former office of the Indonesian civil servant's wives association, Dharma Wanita, in the centre of Dili, and received their guests from the Indonesian human rights commission, Komnas HAM, squatting on UN-donated tarpaulin on the floor. At the present ETWAVE is operating out of Olandina's house, but has received a computer, printer, desks and a van from USAID and were about to receive some funds from the UN Secretary General, Kofi Annan.

Olandina and Xanana are contemporaries. In 1975 they both used to write poetry in FRETILIN's newspaper, *Timor Leste* (Jolliffe, 1976: 12). She has, however, maintained her independence from CNRT, and has publicly criticised Xanana for his emerging authoritarianism. In my interview in her half-burned-down house in Bidau, Dili, on November 17, 1999, she emphasised that she will maintain ETWAVE's status as a non-government organisation, independent from the current embryonal or future elected Timor Lorosa'e government. This is while her own sister, Ligia de Jesus, works for Ramos-Horta's office, first in Lissabon and now in Dili.

The third feminist organisation is FOKUPERS, or the Timor Lorosa'e Women's Communication Forum (*Forum Komunikasi Perempuan Timor Lorosa'e*), which was founded in 1997 by wives of former political prisoners, former political prisoners and other female activists, as well as some male HAK lawyers. This organisation is led by Domingas Fernandes Alves-Bareto ("Michato"), the wife of Jacinto des N. R. Alves, a former political prisoner in Dili and Semarang (Indonesia). Michato herself had been an OPMT militant during her years in the mountains, and had also spent time in political detention (Beer, 1999; *HEKS Handeln*, No. 265, March 1999: 14-15).

Initially, after the orgy of violence, FOKUPERS shared its office and battered women's shelter in the poor Marconi neighbourhood with the HAK Foundation, after HAK lost its former office in Farol which was ransacked and

burned down by Indonesian soldiers and their Timorese collaborators. Lately, however, the US Marines stationed in the country helped to repair their new premises in the posh Farol neighbourhood -- and probably bugged it as well.

The fourth feminist voice is the Young Women Student's Group of Timor Lorosa'e, or GFFTL (*Grupo Feto Foin Sae Timor Lorosa'e*), the women's wing of ETSSC. On November 9-10, 1998, the group organised a well-attended conference on the situation of Timorese women (*Conferencia Loron Rua Kona Sa Laloek Feto Timor Lorosa'e*) -- the first conference of its kind during the 23-years occupation. Among the speakers were two of their elder and vocal sisters -- Michato and Olandina (Winters, 1999: 3; *Suara Timor Timur*, Nov. 10, 1998).

Along with ETSSC leader, Antero Benedito da Silva, GFFTL's leader, Atanasia Pires, was invited to Norway to receive the International Student Peace Prize in Trondheim. In the aftermath of the referendum, both of them were, with more than a thousand other refugees, evacuated from the UNAMET compound in Dili and flown to Darwin. While currently working in the UNTAET office, she is still actively raising *buibere* concerns in the reconstruction of her home country.

In addition to those specific women's organisations, several Timorese NGOs have also developed their own women -- and feminist -- divisions and projects. CDHTL for instance, has developed a special division which deals with violence against women, which is led by Yvette de Oliveira. Then, Timor Aid, a Timorese humanitarian organisation which has Jose Ramos-Horta as its patron but is independent from the CNRT, has developed a Timor Women Development Centre, which is led by Maria do Ceu Lopes Federer.

d. "Church versus state" gap:

Finally, the Catholic Church, which had played such an important role during the occupation, has suddenly seen its role radically diminished. The foreign aid agencies, which during the occupation saw the church as the main partner in relief distribution, are currently attempting to work more and more with the local CNRT structures. Then, the church's role in the past in monitoring human rights violations seems to be more and more taken over by non-church linked human rights organisations set up by young Timorese lay activists, such as the Hak Foundation and the Commissio dos Direitos Humanos de Timor Leste (CDHTL), or the Timor Lorosa'e Human Rights Commission, both of which have been very active in investigating the post-referendum killings by the Indonesian military and their Timorese compradors.

The Church itself, has suffered tremendously from the physical destruction of its properties as well as the assaults on nuns, priests, and even Bishop Belo himself. Hence, Bishop Belo has lately taken the role more of a watchdog of the UN as well as the CNRT leadership.

One priest, Francisco Fernandes, the former Timorese community leader in Macao, also sits on the Political National Council of CNRT. However, according to canonical law, he does not represent the church as such.

The Catholic Church, however, is not the only church in the country. A small group of Timorese have joined the Protestant church, called in its Indonesian abbreviation, GKTT (*Gereja Kristen Timor Timur*), which is led by the

progressive minister and former FRETILIN and FALINTIL militant, Rev. Arlindo Marcal (38 years), who studied at a seminary in Indonesia and married an Indonesian police woman. During the last five years, this Protestant church has also become a strong advocate of human rights in the country.

Recently, Rev. Marcal joined three Timorese women -- Ofelia Napoliao, Maria Bernardino and Olandina Cairo Alves -- to form a group to monitor the directions of the reconstruction of their country. They rightly called the group, Rebuilding Watch, with its motto "*Ba Direito O Povo Timor Lorosa'e* " (For the Rights/Justice of the People of Timor Lorosa'e). On December 11, 1999, Rebuilding Watch circulated their first letter to the UNTAET and CNRT chiefs (see Appendix), and were invited to have a discussion with Sergio de Melo and Xanana Gusmao, respectively.

It is interesting to see that this group was initiated by a Timorese woman, Maria Bernardino ("Laka"), who works at one of the international aid organisations, World Vision, and is also assisting PST's media and fund-raising committees.

Seeing the need to raise the Maubere people's concerns, Laka invited Ofelia Napoliao to join, followed by Rev. Marcal and the senior Timorese woman activist, Olandina Cairo-Alves. At the end of the year, around one hundred Timorese in Dili had joined the organisation, the first "development watchdog" of its kind in the country. They were all driven by a common concern to prevent a new form of colonialism to develop in their country, after gaining their political independence from Indonesia.

So, in the coming months and year one can anticipate that more Timorese organisations and individuals may take a more critical stance towards the UN authorities and the shadow government of CNRT.

As far as Timorese feminists are concerned, their critical role had already emerged during Xanana's transition period from house arrest to full independence, when the revolutionary leader began to listen more to non-Timorese female advisors in his inner circle than to the long time Timorese activists in the movement. Even Xanana's own extra-marital affairs have become the target of a whisper campaign among activists, who do not dare to criticize Xanana publicly.

With the increasing legitimacy problems faced by Xanana and his top CNRT leadership, questions have been raised whether the original plan to hold general elections at the end of the UNTAET period should not be reconsidered. This would mean that serious discussions and debates should be started to explore what kind of presidential and parliamentary elections is most appropriate for Timor Lorosa'e.

These -- as well as the others which I am going to discuss further -- are some of the issues which are going to be discussed in the Extra-Ordinary Congress of the Timorese students movement, RENETIL on January 4-5, 2000 in Dili, to be followed by FRETILIN's congress in February 2000.

e. FALINTIL's future:

While still faced by this growing legitimacy crisis, Xanana and his CNRT Transition Council are pressed to contribute to the solution of three urgent political challenges. The first one is to determine the future of the between 1,000 and 2,000 FALINTIL guerillas. The second one is the repatriation of more than 200,000 East Timorese who were forcefully deported to West Timor and other parts of Indonesia after the August 30, 1999 referendum. And the third one is to take the Indonesian military officers who were charge of the human rights violations -- before and after the referendum -- to justice in an international tribunal.

Contrary to Xanana's pledge in his defense before the Indonesian court in Dili on March 27, 1993 to build a country " without an army (Gusmao, 1996: 28), which he had repeated at a speech written for a conference in Auckland, Aotearoa (New Zealand) on September 9, 1998 (Taudevin, 1999: 189-194), the current tendency among the InterFET and the CNRT leadership is to transform a proportion of those guerillas into a police force and a French-style Gendarmerie (*Sydney Morning Herald* , Dec. 2, 1999). By the end of November 1999, already 55 guerillas had been demobbed and joined a local security force put together by the UN to guard public utilities (*The Australian* , Dec. 1, 1999).

Consequently, by mid December 1999, senior FALINTIL commander Falur Rate Leak and his troops were deployed at the border to calm tensions among irate East Timorese, most of them victims of militia violence, who wanted to fight the militias on the Indonesian side. This initiative of Xanana has been praised by InterFET commander, Mayor General Cosgrove:

Mr. Xanana Gusmao has put Falintil people on the border precisely to reassure the militia that there is a line or reconciliation which he, CNRT and Falintil are looking to pursue. I applaud that ... I think it is a better guarantee [of security] than an Interfet soldier standing every 100 metres (*Sydney Morning Herald* , Dec. 16-17, 1999).

As Xanana puts it in an interview with an Australian media: "Of course there are some people who want a civilian life. [But] maybe there are some people who want to join the police force." Then, to explain his change of opinion he added:

I just met the UN human rights delegation, and the chief, a woman from Costa Rica, she told me about her country which is without an army. We always mainted Costa Rica was the country to follow, but what happened here changed our opinion. We know that we have to guarantee security to our people to be more confident. With fears, with threats, essentially our people on the border, and in Oecussi, will not be able to work. We have to think about the future of FALINTIL, yes, but we have to reassure our people we are ready if necessary to defend our country (*The Australian* , Dec. 1, 1999).

Several consequences may be faced with this new direction of FALINTIL. Basically, according to a young student activist-turned-guerilla fighter whom I interviewed in Dili in November 1999, the guerillas consist of three groups. First, those who joined FALINTIL since the Indonesian invasion of 1975, who are mostly fed up of their rough military life in the bush and want to return to civilian life as farmers, teachers, or other jobs.

The second group consists of those who joined the guerilla army after the 1983 massacre in Kraras, Viqueque, who are still young enough and interested to become regular soldiers. Then, there is the third group of former student activists who went up into the mountains to join guerilla forces in the 1990s, and are divided between continuing a political role in Timor Lorosa'e's budding civil society, or to join a regular police or army.

As in the case of Indonesia former guerilla army that transformed itself into Indonesia's regular army, TNI, there seems to be a reluctance among its top commanders -- such as Xanana himself, Taur Matan Ruak, and those who are also FRETILIN militants, such as Luo'lo, the current FRETILIN president -- to deny FALINTIL a political function in the newborn nation. This has partly been influenced by the fact, that at least during the last decade of the occupation, all the components of the movement have treated FALINTIL as the vanguard of the liberation struggle, and always coordinated their actions with the heros in the mountains. This is certainly true of the clandestine front in the occupied country itself, which during the last five years was led by a former FALINTIL commander, Sabalae.

Then, after the arrest of Xanana in November 1992, and more so after his removal from Dili to the Cipinang prison in August 1993, all the four fronts of the movement -- the armed front in the mountains, the clandestine and youth front in the cities of Timor Lorosa'e, the student resistance movement in Indonesia, and the diplomatic front led by Jose Ramos-Horta -- acknowledged the leadership of Xanana as chairperson of the CNRM (which in April 1998 changed its name into CNRT) *and* commander of Falintil.

Eventually, for the sake of unity, the FALINTIL flag was accepted by both the left (FRETILIN) and right (UDT) wing of the movement to become the CNRT flag. This was a huge sacrifice for FRETILIN, whose leaders had unilaterally declared the independence of '*Republica Democratica de Timor Leste*' on November 28, 1975, and had invented the RDTL flag which used the same symbolism of the FRETILIN flag. For the sake of unity, during the last five years of the occupation, the RDTL flag had been replaced by the new CNRT flag (which is actually the FALINTIL flag) in all the mass actions of the young Timorese activists in Timor Lorosa'e as well as in Indonesia.

Even UNAMET which oversaw the August 30 referendum accepted this decision and used the CNRT flag on the ballot to represent the choice of rejecting the Indonesian autonomy offer.

Currently, two groups have flown the original RDTL flag again in Dili. The first one is CDP-RDTL, which is affiliated to PST, while the second one is FRETILIN, which celebrated their version of Timor Leste's "Independence Day" on November 28, 1999. For FRETILIN, that Sunday was the 24-th anniversary of the Democratic Republic of Timor Leste.

Nevertheless, the overlapping symbolism of FALINTIL and CNRT still dominates the popular psyche, since all the houses and buildings which are currently used by CNRT officials are decorated by the disguised FALINTIL flag.

At the moment, Xanana has not shown any intention to relinquish one of his two titles, namely CNRT president and FALINTIL commander. In fact, there are speculations that Xanana, who left FRETILIN in 1988 to lead CNRM, is

using FALINTIL as his power base, before attempts to turn the current CNRT network into a new political party could materialize.

These speculations do not lie square with many of the young Indonesian-educated Timorese activists, who are very suspicious of anything that smells of parallels with Indonesia's ruling party, GOLKAR or with the notorious "dual function" doctrine of the Indonesian military, or ABRI.

In my interview with FALINTIL's deputy commander, Taur Matan Ruak, in his new headquarters in Aileu on November 14, 1999, I asked the guerilla commander what guarantees there are that FALINTIL would not repeat the sad history of ABRI's *dwifungsi* doctrine. He replied that "based on our own experience of having suffered for 24 years, because of ABRI's *dwifungsi*, it is impossible for us to repeat the same mistake. And even if we do that, the Timorese people themselves will immediately correct us."

As far as FALINTIL's future role in Timor Lorosa'e, the 43-years guerilla commander stated that he personally wants his country to be without a regular army. "But in this transition period, while there are still threats from militias and from abroad, we do need to have an army to defend us both from these threats." He explained that he still frequently received threats from the pro-Indonesia militias over his handy talky. And at the end of the day, "only CNRT can decide the future of FALINTIL." Which sounds as some circular logic, since in fact, the two top FALINTIL commanders play a decisive role in CNRT's Transition Council.

Talking about FALINTIL's future role, Rev. Arlindo Marcal, the leader of the Timor Lorosa'e Protestant church, GKTT, and his fellow activists of Rebuilding Watch, in their December 11, 1999 petition also recommended the need for FALINTIL to participate in upholding the rule of law in the country. He admitted, though, that it was a dilemma. "On one hand, we don't want to be forever dependent on Australian or American troops, but on the other hand, there are rumours that Indonesia is building up its Army and Navy forces in Nusa Tenggara Timur [the province to which West Timor belongs]," said Rev. Marcal in a phone interview with the author on Monday, December 27, 1999. He added: "So, the long-term solution is to reconcile with Indonesia, not just with the few militia leaders who are basically following orders from the Indonesian military." Then, he believes, Timor Lorosa'e can reduce its troops -- and thereby, its military budget -- drastically.

Nevertheless, frictions between the civilian population and the former guerilla forces have already emerged in Dili, last November. Allegedly at the order of Taur Matan Ruak, some FALINTIL guerillas came down from Aileu to Dili, to demand that all cars and motorcycles that were formerly owned or used by Indonesian military and civil servants should be handed over to the FALINTIL command in Aileu. Having already seized most of the remaining Indonesian cars and motorcycles, several Timorese civilians protested against that command. In response to this 'rebellion', Taur Matan Ruak himself came down from Aileu to arrest the leader of that rebellion, a young man by the name of Alberto, and took him to Aileu where he was detained for one week.

In addition to that incident, FALINTIL's name has also been abused by Timorese who claim to be Falintil members, or, using the more popular term,

"the commandos." A former Timorese student activist turned entrepreneur, who runs a small Timorese cafe in Dili told my colleagues and myself while we were having a Timorese dinner of *calderada* and grilled fish one night, that "the commandos" initially did not allow him to open that cafe in Dili, and told him to open it in Aileu. He defied that verbal threat and still opened his cafe in Dili, without any real challenge from the "commandos".

This observation parallels an Australian journalist's observation in the mountain town of Ainaro in mid October 1999:

In the burn-out chaos of the square in Ainaro ..., wild-haired men with automatic weapons run into the ruins of the town when Europeans approach. ... The young men ... carry weapons mostly looted from departing Indonesian police and soldiers. They wear bits of discarded Indonesian uniforms – some webbing, a hat, a BRIMOB riot police vest, all covered in the black soot inevitable after surviving the burn-out remains of the town for the past three weeks.

All have a small CNRT or FALINTIL badge pinned somewhere to their clothes in the small plastic cardholders looted from the deserted UNAMET compound in Dili. The young men declare themselves to be part of FALINTIL, and claim to control the town. But now almost every East Timorese male in the south-western region – where the threat of militia attack is still present – claims to be in FALINTIL, whether he is carrying a looted M-16 or a spear or manning a makeshift roadblock from a felled tree (Martinkus, 1999).

Hence, it is highly recommended that after CNRT moved its office from Darwin to Dili, with the arrival of Jose Ramos-Horta back from his 24-year exile, public discussions be initiated by the Council about the future of the guerilla forces and their relation with the CNRT and the Timorese civil society. Public discussions, which would also be excellent avenues to enable the elder leaders of the struggle, who had led the struggle for 25 years, to bridge the communication gap with the younger generation, who had continue the struggle against the occupation forces in their own turf – in Timor Lorosa'e and Indonesia.

f. Repatriation and retribution:

Let us now move on to the second urgent challenge to Xanana Gusmao and his Transitional Council, namely the repatriation of the more than 200,000 East Timorese from Indonesia. This was the main item on the agenda of Xanana's meeting with the newly elected Indonesian president, Abdurrahman Wahid. During his first trip to Jakarta as the leader of an independent nation, Xanana was accompanied by his deputy in CNRT, Jose Ramos-Horta, and the FRETILIN representative in CNRT, Mar'i Alkatiri. Also present in Gusmao's delegation was FALINTIL's deputy commander, Taur Matan Ruak.

It is not clear what Wahid had promised to facilitate the speedy but humane repatriation of the more than 200,000 East Timorese in West Timor and in other places in Indonesia. In his press conference after the meeting in the Indonesian presidential palace, Xanana only made a general, reconciliatory statement, to bury the past. Wahid, meanwhile, in his press statement said that Xanana had asked him to help rebuild Dili. Nothing was mentioned about an earlier promised by President Wahid, expressed during a meeting with US President Bill Clinton in Washington, DC in mid-November 1999, that Wahid will order

Indonesia's air force to fly East Timorese refugees from West Timor, where human rights groups allege many are being intimidated and abused by militias (*Sydney Morning Herald*, Nov. 15, 1999).

Finally, the third urgent challenge faced by Xanana and his Transition Council is to campaign for justice for the victims of all the human rights violations carried out against the Timorese people, before and after the referendum. In an interview with an Indonesian newspaper, soon after the January 27, 1999 promise of then Indonesian president B.J. Habibie to allow the Timorese people to determine their future, CNRT vice president and international spokesman, Jose Ramos-Horta stated that Indonesian officers and former officers who could be classified as "war criminals" should be taken to justice. The 1996 Nobel laureate mentioned in particular the names of Soeharto and his son-in-law, former General Prabowo Subianto, as examples of those who will be indicted by the Timorese people (*Oposisi*, Febr. 4-10, 1999: 2).

Xanana himself, in his first press conference in Jakarta after revisiting the city where he had spent nearly seven years in jail, squarely laid the blame for the recent killings and destruction in his homeland on the former military chief and now a top minister in Wahid's cabinet, General Wiranto (*Sydney Morning Herald*, Nov. 22 & 30, 1999).

However, in the meeting with the newly elected Indonesian president, Xanana and his fellow CNRT leaders did not raise those allegations. It might not have been politically astute to do that. Especially in front of General Wiranto, who was also present during that meeting as Wahid's Minister for Political and Security Affairs.

International diplomacy aside, the CNRT leadership has also been criticised for moving too slow and not pushing the UN hard enough to investigate and document the human rights violations perpetrated by the Indonesian military and their Timorese collaborators. And indeed, it has mainly been the work of the two Timorese human rights organisations, HAK and CDHTL to assist Hasibuan's team by presenting their findings, when the Indonesian lawyers came to their country, last November.

III. ECONOMIC TRANSFORMATION

a. Introduction:

The destruction of Timor Lorosa'e and the consequent forced deportation of a quarter of its population have ironically created a bonanza for Australian businesses and a handful of Timorese business partners. The recent report of the World Bank called for a three-year reconstruction efforts worth about A\$ 450 million, on top of the approximately A\$ 300 million being sought for immediate needs. The UN assessment of humanitarian aid requirements for the next nine months or so puts the bill at A\$ 300 million. The overall costs of reconstruction and development are still being assessed but are likely to be upwards of A\$ 100 million a year for several years (da Costa, 1999).

This price tag does not include the US\$ 550 million procurement budget which had already been estimated by the UN's chief of procurement, Andrew Toh, long before the InterFET troops landed in Dili, based on a similar scenario in Cambodia (*The Australian*, April 27, 1999).

So, around A\$ 1.2 billion will be up for grabs for businesses from all around the world in Timor Lorosa'e during the next two to three years. This has come as very good news to the Northern Territory (NT) business people and administrators, who had to cope with an unemployment rate of between two to three per cent, before the UN-supervised referendum in its northern neighbour.

In fact, according to a Drake International personnel forecast, the NT was the only state or territory predicting a downturn in employment opportunities. Businesses initially expected a 3.9 % drop in overall hirings following a very buoyant previous quarter.

Construction in the NT was also beginning to slow down by 5.69% as defense projects which had kept the NT industry busy for years were heading for completion. The industry, however, predicted that there will be some upturn towards the end of the year if NT builders become involved as expected in the reconstruction of Timor Lorosa'e. So, developments in Timor Lorosa'e and opportunities in expanding information technology (IT) services are likely to cushion the NT from a significant decline in employment for the quarter to December 31, 1999 (*NT Business Review*, Nov. 1999: 17).

Indeed, hundreds of tradesmen -- carpenters, bricklayers, and others -- have flocked to Dili, where they could allegedly earn A\$ 400 to 500 per day, according to sources in Darwin.

The Top End city itself has enjoyed a boom of economic activities, thanks to the deployment of about 8,000 peacekeeping troops in Timor Lorosa'e, who have to be supplied from Darwin. Most of the construction work in Dili also seemed to be supplied from Darwin. On one lucky day, according to my source, Bunnings Building Supplies sold more than A\$ 110,000 worth of timber to be shipped to Dili. There are more similar stories of the extra-ordinary prosperity which Indonesia's destruction of Timor Lorosa'e have brought to the Top End, Australia's colloquial term for the NT:

* John Gilbert, the British director of the NT General Store, claimed in early December of having sold A\$ 95,000 worth of billy cans and thousands of sleeping bags and mosquito nets. One day the BBC World Service walked into his shop with A\$ 50,000 in cash and kitted out a 24-member team going to Timor Lorosa'e (Barker, 1999).

* Terry Farmer, managing director of stationery wholesalers National One NT Pty. Ltd. said his turnover is up about A\$ 500,000 in the last four months, due mostly to Timor Lorosa'e. He provided about 3 million sheets of copy paper for the August 30 referendum, and had supplied paper and computer equipment to the Australian Defense Force, the World Bank and the Italian Navy. He had just won a A\$ 150,000 UNICEF contract for student supplies (Barker, 1999).

* Peter Carew, a director of ITS (Integrated Technical Services) Pty Ltd, said that Timor Lorosa'e had brought "extraordinary income" to his electronic and radio communications business. He estimated that until that time Timor sales had reached about A\$ 300,000 (Barker, 1999).

* Albatross Timor Pty. Ltd., a joint venture between Albatross Marine Trading Company Pty Ltd and Sealanes Pty Ltd has won a A\$ 15 million contract to supply fresh food and rations to peace keeping forces in Darwin, since September 1999. General manager Tony Furness estimates that the turnover will be A\$ 18-20 million by the time the contract expires in April 2000 (Barker, 1999; da Silva, 2000).

* the UN had advertised in Darwin for the supply of 40,000 sheets, 20,000 kitchen sets and 35 tonnes of soap, which local wholesalers managed to supply (Barker, 1999; da Silva, 2000).

* Darwin's Shamrock Chemicals has sold A\$ 700,000 worth of supplies (da Silva, 2000).

* Chubb Protective Services, an early participant in the UN operation that provided security for refugee camps in Darwin and warehouse services for aid agencies, is now operating throughout Dili. It has 325 local staff and another 275 are to be hired in the next few weeks. The company estimates that, since September 1999 till March 2000, it has earned A\$ 3 million from its investment in the Timor operation (da Silva, 2000).

The Darwin car business -- selling as well as renting -- was probably the economic sector that profitted the most from the massive destruction in their Northern neighbour. Earlier in 1999, the UN purchased 70 four-wheel-drive vehicles from Darwin dealers at a cost of more than A\$ 2 million. Most of those cars were destroyed or stolen by the Indonesian military and their Timorese collaborators, and will have to be replaced.

b. The CLP's 'change of heart':

This Timor bonanza reflects a complete reversal of the NT government's stance towards Timor Lorosa'e. The Country Liberal Party (CLP), which has held power in the NT since self-government in 1978. Since coming into power, the CLP has strongly supported Suharto's regime to attract Indonesian businesses into the Territory as well as to promote NT-based businesses into the Indonesia. In fact, the NT became the first Australian state or territory to sign a Memorandum of Understanding with the Indonesian government. This MOU was signed in Jakarta by then Chief Minister Marshall Perron and then Indonesian Foreign Minister, Ali Alatas, on January 21, 1992.

Chief Minister after Chief Minister have made their courtesy calls to Suharto. The previous Chief Minister, Shane Stone, even represented John Howard, soon after his election as Australia's Prime Minister, to deliver a message to Suharto, whom Stone had already met earlier. When Mrs. Suharto died in April 1996, Howard requested Stone attend the funeral to represent Australia. In fact, Stone was the only European invited to the service (Hawley, 1996: 32; *Asian Business Review*, Nov. 1996: 39-40).

In all those years, all NT Chief Ministers assured Suharto, that the Northern Territory strongly supported Indonesia's occupation and annexation of Timor Lorosa'e. In fact, supporting Timor Lorosa'e's annexation seems for the NT government to be a *conditio sine qua non* for promoting business with Indonesia.

This pro-Jakarta was shared down the line by CLP officials. One CLP official had even stated that the East Timorese independence supporters in the NT "merely represented about a hundred FRETILIN leftist individuals continuously making pro-leftist propaganda, contributing in this manner to maintaining social, personal and family division in the community." The answer of the pro-East Timor nationalists to such charges is to retaliate by affirming they have become a scapegoat because their political action jeopardised the intent of the local and Federal governments to safeguard its close relations with Indonesia.

This antagonism periodically resulted in more public confrontations between the Darwin Timorese community and the NT government. In early 1987, the then Chief Minister, Steve Hatton, during his visit to see Suharto in Jakarta, reaffirmed at a press conference that according to the stance of the Government of the Northern Territory, East Timor is a province of Indonesia (Morlanes, 1991: 265).

To counter the international uproar over the November 12, 1991 massacre, the CLP establishment in Darwin made itself available to the Indonesian propaganda machine. Responding quickly to the Dili massacre, the Indonesian Government-owned television network TVRI produced a 32 minute documentary film, *The New Era of East Timor*, made specifically for Australian audiences. The film was released in Darwin on February 21, 1992 by Hendro Subroto, one of the few Jakarta journalists who had the privilege to cover the 1975 invasion from Balibo to Dili.

This 1992 TVRI film blames the Dili massacre on foreigners in Timor Lorosa'e at that time. It was narrated by a Darwin-based film maker, Mike Atkinson, who was working in Indonesia on a grant from the NT Education Department to make a children's television program in conjunction with TVRI. Atkinson was employed by a company known as the North Australian Film Corporation whose principal was the wife of the Speaker of the NT Legislative Assembly, Nick Dondas. The company had received a A\$ 260,000 grant for the pilot show from the NT Government. Apart from Atkinson's involvement, the NT Chief Minister, Marshall Perron, was also interviewed in the film. Perron made statements about the role of the NT Government in fostering good relations and promoting bilateral trade with Indonesia (Gunn & Lee, 1994: 182).

During Xanana's trial in 1993, CLP politicians still refused to respect the jailed independence leader's human rights. In a sitting of the NT's Legislative Assembly, a CLP backbencher, Terry McCarthy, opposed the tabling of Xanana Gusmao's defense plea, which he was not allowed to read in his trial in Dili. Eventually, the NT opposition Labour Party was permitted on May 26, to table Xanana's defense plea, which McCarthy had initially opposed (*Sydney Morning Herald*, May 27, 1993).

Interestingly, after the referendum and its violent aftermath, the CNRT president instantly became the NT Government's darling. NT authorities warmly welcomed Xanana Gusmao on his first official visit to Darwin in late September 1999. Immediately after this meeting, NT Chief Minister Denis Burke sent his special representative, Paul Tyrell, to assess the country's damage and report on urgent immediate requirements for houses, port operation and essential infrastructure, accompanied by teams from the Territory's Transport & Works and PAWA (Power and Water Authority). And

way above the World Bank estimate, Lt. General John Grey, the Chief Minister's special consultant estimated that the reconstruction costs could reach as high as A\$ 500 million.

The results of the NT government's assessment was immediately fed back to the NT business community in a "sell out" breakfast briefing hosted by the Chief Minister himself, attended by more than 350 people. Following up on the briefing, the NT government also provide assistance to the businesses to apply for registration with the UN agencies. So, eventually, 40 to 46 per cent of work in the disaster regions went to tenderers from the Territory (*NT Business Review*, Nov. 1999: 2).

c. Australian big shots:

Of the 220 businesses registered in Timor Lorosa'e, most are Australian-owned or joint ventures with Timorese back from exile (da Silva, 2000). These Australian companies are heavily represented in the following sectors, which are -- in random order -- (a) transportation; (b) post; (c) telecommunications; (d) banking; (e) tourism; (f) construction; (g) legal service; (h) the media and PR industry; (i) retail business; and (j) internet cafe. The following list (see next page) shows the most prominent Australian companies currently involved in Timor Lorosa'e's reconstruction efforts:

A limited list of Australian companies trading, investing,
or planning to invest in Timor Lorosa'e

Bridge Autos Pty. Ltd. (Darwin)
Thrifty-Rent-A-Car (Darwin)
East Timor Car Rentals (Darwin)
Air North Regional Pty. Ltd. (Darwin)
Ansett Airlines
Qantas Airways Ltd.
Pearl Aviation Australia Pty. Ltd. (Darwin)
Lloyd Helicopters (Adelaide)
Perkins Shipping (Darwin)
Rooney Shipping and Trading (Darwin)
Gulf Freight Services (Brisbane)
Australian Freight Services (Brisbane)
TNT Australia Pty. Ltd.
TELSTRA
Westpac Banking Corp.
Hotel Dili (Dili)
Timor Lodge Hotel Pty. Ltd. (Darwin)
Dili Palms Hotel/East Timor Construction Company Pty. Ltd.
Paximus Lodge (Brisbane)
Phil's Bar and Grill
Multiplex Constructions Pty. Ltd.
CFMEU's construction firms: CBUS & the Australian Construction Industries
East Timor Reconstruction Appeal
NT Power and Water Authority (Darwin)
NT Construction Group Pty. Ltd. (Darwin)
East Timor Logistics Pty. Ltd. (Perth)
Hazell Brothers Group and Pitt & Sherry (Hobart)
Karl Ozolins Construction (Darwin)
Barclay Mowlem Construction Ltd. (Sydney)
Chappel Development Group (North Queensland)
Dunhill, Madden & Butler law firm (Sydney)
Harvey Norman
Compaq Computer Corp.

Sources: Barker, 1999; Everett, 2000; da Silva, 2000; Rochfort, 2000; *NT Business News*, November 1999; *Focus*, December 1999; *Australian Aviation*, Jan.-Febr. 2000; *Aircraft & Aerospace*, April 2000; *The Australian*, January 14, 2000; *Associated Press*, April 14, 2000; *AAP*, Febr. 23, 2000; *Lusa*, Febr. 23, 2000; *Sydney Morning Herald*, Febr. 23, March 10 & May 4, 2000; *Business Times*, Singapore, April 17, 2000; field observations and interviews.

d. The most prominent Timorese business partners:

A few Timorese business people are emerging on the scene, as business partners of those Australian and UN companies, who warrant a short biographical sketch about their political background. As we can see from the following sketches, former UDT leaders and former collaborators with the Indonesian regime stand out among those Timorese partners of Australian businesses:

d.1. Manuel Carrascalao:

Manuel Carrascalao is one of the first Timorese to lease land to Australian companies to build hotels in Dili. Knowing his family background is important to understand the doubts concerning the legal status of the land he has leased to Timor Lodge Hotel Pty. Ltd. of Darwin. Manuel's father, the late Manuel Viegas Carrascalao Sr. was the Mayor of Dili in the early 1970s (Tomodok, 1994: 37). In that capacity Carrascalao Sr. certainly influenced the land use planning of the city. He may have foreseen that the Western bank of the Comoro River -- which was relatively uninhabited -- may become a future asset. On the other hand, he may also have foreseen that this piece of land may later become Dili's main source of ground water.

Several sources whom I interviewed found it hard to believe that the Indonesian army simply appropriated that land from the Carrascalao family, free of charge. In May 1980, this 179-Ha property was returned to the Carrascalao family, together with their 521-Ha coffee plantation in Ermera. These extensive land-holdings were restored to Manuel, to discourage his younger brother, Mario, to defect from the Indonesian Mission to the UN in New York. This plan had been seriously discussed by Mario with Jose Ramos-Horta, then FRETILIN representative in the UN (Budiardjo and Liem, 1984: 99, 105). Mario later changed his mind and served for ten years as Jakarta's appointed governor in Dili.

The Carrascalao also had a history of strongly supporting the Indonesian occupation since Day One. Manuel and his younger brother Joao had led UDT fighters who assisted the Indonesian army invasion between October and December 1975 (van Klinken, 1997b). After the invasion, according to sources in Dili, Manuel and his UDT troops continued to assist Indonesian troops to track down FALINTIL guerillas in the mountains.

After Indonesian military had consolidated its power in the country, Manuel focused on managing the family's firm, CV Algarve Timor. In 1982, he became a member of the Indonesian provincial puppet parliament, representing the government party, Golkar. He became one of the most vocal voices in the parliament, but still supported the Indonesian occupation.

Frustrated with Indonesian-style politics, he began to give more attention to business. In 1994, he tried to raise funds from banks in Australia to set up a pre-fabricated housing project in Timor Lorosa'e, which was immediately attacked as being 'unpatriotic' by pro-Indonesian businessman in Dili (*Suara Timor Timur*, Oct. 15 & 17, 1994).

As chairman of the Communication Forum between Northern Territory business people and their partners from the Indonesian province of Nusa Tenggara Timur (NTT) and East Timor, he campaigned unsuccessfully to locate

the Timor Gap base camp located in Timor Lorosa'e rather than in Kupang or Darwin (*Suara Timor Timur* , May 27, 1994).

After the 1996 Nobel Peace Prize for two of their compatriots Manuel and Mario began to shift their political directions in line with their younger brother, Joao, the UDT leader, who was then based in Sydney. In December 1997, Manuel launched his Movement for Reconciliation and Unity of the People of Timor (GRPTT: *Gerakan Rekonsiliasi dan Persatuan Rakyat Timor Timur*) at a UDT congress in Perth, Western Australia. This movement, which also embraced other former Indonesian collaborators, campaigned for a UN-sponsored referendum -- and instantly became the target of military and militia intimidations (van Klinken, 1997b; Taudevin, 1999: 131-132).

The major event, though, which bolstered Mario and Manuel's profiles as Timorese nationalists was the first pro-independence public meeting in Dili on June 9, 1998. Mario chaired the meeting, which was called for by the East Timor Students Solidarity Council (ETSSC). The meeting adopted a four-point resolution drafted previously by a group of moderate Timorese public servants that had met in Liquica. The points were to call for the release of all political prisoners including Xanana; to ask both Indonesia and Portugal to agree to a joint administration for an interim period and remove ABRI; to ask the United Nations to send in peacekeeping troops; and to prepare for freedom (Taudevin, 1999: 148-149).

Eventually, Xanana appointed Manuel to coordinate the CNRT committee in Dili, together with another UDT member, Leandro Isaac, and a former political prisoner from FRETILIN, David Dias Ximenes. To make a long story short, Manuel's pro-independence campaign cost him the live of his 18-year old adopted son, Manuelito, when one hundred military and militias stormed his mansion on April 17, 1999 (Taudevin, 1999: 265).

d.2. Oscar Lima, Francisco Kalbuadi and Ahmad Alkatiri:

These co-shareholders of East Timor Construction Pty. Ltd., together with former Australian Labor Left politician, Gerry Hand, which owns the Dili Palms hotel, have completely different backgrounds. Oscar Lima (born in Timor Lorosa'e on October 1, 1945) is a bonafide businessman, who risked his own businesses by supporting the resistance's clandestine activities in Dili. This led him to interrogations by the hated Indonesian army intelligence unit, SGI, and caused him to lose contracts from the government. His company, PT Surik Mas Lorosae, survived by building low-cost houses in Fatumeta, Dili (*Suara Timor Timur* , February 25, Oct. 7 & 10, 1994).

In contrast to Oscar Lima, Francisco Kalbuadi (born in Timor Lorosa'e on February 7, 1954) and Ahmad Alkatiri (born in East Timor on August 3, 1963) are former Indonesian collaborators. Francisco ("Chico") Kalbuadi is a Chinese-Timorese who was adopted by the late General Dading Kalbuadi, and therefore took the family name, Kalbuadi. In 1991, as chair of the local branch of the Jakarta-backed youth organisation, KNPI (*Komite Nasional Pemuda Indonesia*), Chico was asked by Suharto's eldest daughter, Siti Hardiyanti Rukmana, to represent her charity, the Tiara Foundation, in Dili.

The Tiara foundation recruited young Timorese to work in Indonesian factories owned by members and cronies of the Suharto family. This scheme, which

initially enjoyed the blessing of Bishop Belo and then Governor Mario Carrascalao, eventually left around 800 young underpaid Timorese stranded in Indonesia, with many young Timorese dying of unnatural causes in Indonesia and also some of them forming a military-backed gang in Jakarta (Aditjondro, 1994: 48-51; *Hidup*, May 12, 1991: 14; *D & R*, August 9, 1997).

After fleeing abroad for a short period to escape the Tiara victims, Chico returned to his homeland to be recruited by another Timorese collaborator, then Dili mayor Domingos Soares (Koli). He was trusted to manage the government-protected gambling business company in Tacitolu, Dili, a favourite hang out place for the notorious militia leader, Eurico Guterres.

This job also did not last long. After pocketing hundreds of millions of rupiah raised from this illicit gambling business, Chico was fired. Hence, people in Dili shook their heads when Bishop Belo recruited him to manage the diocese's Don Carlos foundation. As a close confidant of the bishop, Chico travelled with the Nobel laureate to Australia, several months before the UN-supervised referendum in Timor Lorosa'e. His political intuition had probably told him to chance sides at the right time.

Likewise, Ahmad Alkatiri, a younger brother of Mar'i Alkatiri, FRETILIN leader and member of the CNRT Transition Council, was the head of the East Timorese branch of the pro-Jakarta organisation of thugs, *Pemuda Pancasila*. On December 7, 1995, these thugs harassed Jakob Herin, a journalist from *Suara Timor Timur*, in revenge for printing embarrassing news about their leader. This event became national news in Jakarta, after the Jakarta-appointed governor, Jose Abilio Osorio-Soares and Bishop Belo protested strongly against the harassment of the journalist (*Jawa Pos*, *Bernas*, and *Media Indonesia*, Dec. 13, 1997; *Sinar*, Dec. 24, 1997; *Forum Keadilan*, Jan. 5, 1995).

So, one need to ask the question: who is financially underwriting Ahmad Alkatiri's hotel business? This question is extremely valid, because his former "boss", Japto J. Soerjosoemarno, *Pemuda Pancasila*'s chairperson, has a business venture in the Northern Territory. Japto is a 15% shareholder in the vast Tipperary ranch, which a former Keating crony – Warren Anderson -- had set up with a former Suharto crony, Aburizal Bakrie (*Australian Financial Review*, March 30, 1999).

According to some sources in Dili, though, like many other collaborators, Achmad Alkatiri was actually a 'double agent.' His position as head of the *Pemuda Pancasila* branch was only a cover to protect many freedom fighters from the military's suspicion, while raising funds for the guerillas in the mountain.

d.3. Manuel Tilman:

This Portuguese-educated lawyer, who is the business partner of the Australian law firm, Dunhill, Madden & Butler, was previously based in Macau. He has a dubious political past. In the early 1990s, he was involved in the so-called "reconciliation process" initiated by Suharto's eldest daughter, Siti Hedyanti Rukmana. In December 1993, Tilman attended the infamous London Meeting as part of the so-called "*grupo de seis*" (group of six), which included the Macau Timorese community leader, Padre Francisco Fernandez (Gunn, 1997: 45-48).

Three years later, Tilman joined a consortium with three other Timorese collaborators, Abilio de Araujo, the Lisbon-based former top executive of FRETILIN, Francisco Lopes da Cruz, a former UDT leader who had become Suharto's "roving ambassador for East Timor", and Jose Abilio Osorio-Soares, then Jakarta-appointed governor of Timor Lorosa'e and co-founder of the pro-Indonesian party, APODETI.

This consortium was going to undertake the construction of a 27 MegaWatt (MW) hydropower plant on Lake Ira Lalaro, near Los Palos. The project was discussed in April 1996 in Amsterdam during a meeting chaired by then Indonesian ambassador for the U.K., J.E. Habibie, a younger brother of then Indonesian Research & Technology Minister, B.J. Habibie. The meeting was also attended by Manuel Macedo, a Portuguese businessman who had formed the Portugal-Indonesia Friendship Association (PIFA) and was another partner in Ms. Rukmana's "reconciliation" campaign. Paulus Tannos, chairman of PT Summa Dinamika Energy which was chosen by the Indonesian Electricity Company (PLN) to build the hydropower plant and which also was going to join the consortium, was also present in that Amsterdam meeting (*Publico*, Jan. 6, 1996).

During Suharto's last years in power, Tilman gradually moved from Ms. Rukmana's to Ramos-Horta and Gusmao's camp. On April 23 - 27, 1998, Tilman and his Macao Group were even trusted by Xanana Gusmao to organize the National Congress of the Timorese in the Diaspora in Peniche, Portugal, which was attended by 218 delegates from various political parties, as well as civic, cultural and sport associations.

Two groups were absent from the Peniche convention, namely the Timor Socialist Association and Manuel Carrascalao's Reconciliation Group for East Timor's Development (GRPTT). Joao Carrascalao, the UDT leader, who was in Lisbon attending another conference, initially refused to attend the convention but later changed his mind.

For the sake of unity, the convention replaced the name *Maubere* in CNRM with Timor, to accommodate UDT's rejection of the name 'Maubere,' thereby changing CNRM into CNRT. The convention also elected Xanana as the umbrella organisation's president and Ramos-Horta, Joao Carrascalao and an unnamed person inside Timor Lorosa'e as vice presidents. Finally, the convention approved a Pact of Rights, Duties, Liberties and Safeguards for the People of East Timor. This "*Magna Carta*" was based on a draft from FRETILIN leader Mar'i Alkatiri, incorporated parts of a draft from Luis Cardoso, former CNRM Representative for Portugal and Spain, while a draft from RENETIL had been rejected earlier on (ETRA, 1998; Taudevin, 1999: 141-142; Carlos da Silva Lopes, personal communication, 1998).

At the moment, Tilman has been trusted by Xanana to coordinate CNRT's taskforce on legal affairs, and cooperates with the UN to investigate the post-referendum human rights violations perpetrated by the Indonesian military and their Timorese collaborators (*Sydney Morning Herald*, December 16, 1999).

d.4. Joao Goncalves:

According to my sources in Darwin and Dili, the giant Australian engineering firm Multiplex had received a sympathetic ear among the CNRT leaders thanks

to Joao Goncalves and a Darwin-based lawyer, Martin Hardie. Joao's family fled to Melbourne in the mid-1970s, and later on moved to Cairns, Queensland, where they own a supermarket.

Goncalves, who played a low profile role during his 24-years in Australia, as far as Timorese pro-independence campaigns are concerned, is currently well-entrenched in CNRT's inner circle. He manages the CNRT office in Dili and often travels with Xanana Gusmao. So, many Indonesian-educated Timorese jokingly call him "*Mensekneg* CNRT", referring to the Indonesian acronym of "State Secretariate Minister (*Menteri Sekretaris Negara*)." By April 2000, Joao Goncalves appeared in public as a CNRT spokesperson, urging Australian businesses to take a leading role in rebuilding the devastated country, in particular through projects that employed local Timorese (AFP, April 11, 2000). By cooperating with Multiplex, Joao allegedly plans to open a new supermarket and a hotel in Dili.

e. The UN-US mega-project: Dili's floating hotels:

While several Timorese-Australian joint ventures were still installing their prefabricated hotels and solving the, the UN authorities themselves added more competitors in the market by contracting two 'floating hotels' in Dili. These luxurious hotels -- according to Dili standards -- are moored at the eastern side of the Dili harbour to house UN staff and US nationals who came later.

On Monday, December 6, 1999, thirty homeless UN staff who had been sleeping under mosquito nets in their offices boarded *Amos W*, the first converted barge, followed by 30 or 40 more three days later. It looks like a collection of stacked white shipping containers. A metal gangway connects it to the shore, where East Timorese offer them fish across from a destroyed former Indonesian army base.

The floating hotel has rooms for 176 UNTAET workers, who paid A\$ 260 (US\$ 195) a day, deducted from their expense allowances. This rate is fantastically high, according to Dili standards. Before the post-referendum orgy of violence, a standard room with airconditioning and a television at Hotel Mahkota, Dili's largest hotel, had cost about US\$ 10.

Amos W's rooms are airconditioned and have private bathrooms. There is a cafeteria-style restaurant, a small fitness centre and a shop stacked with CDs, books and stationery. Movies are shown once a week on a large-screen television in the vessel's open-deck lounge, which was earlier a helicopter deck. The second floating hotel, *The Olympia*, also a converted barge, arrived later in December, and is even fancier with plans to open a casino as well.

The floating hotels are at the centre of a cash economy in Dili. Experienced male Indian reception staff have been flown in. Terms are strictly cash. No travellers cheques or credit cards are accepted. The facilities on board *The Olympia* would even include a branch of a Portuguese bank. The bar on the helideck of the *Amos W* has fast become the hip drinking place in town. Beer for A\$ 3. A glass of reasonable Australian chardonnay for A\$ 6, and a hamburger and fries for A\$ 10. But this shortly paled into insignificance with the commissioning of *The Olympia*'s nightclub with disco and occasional gigs by local musicians. Other features of *The Olympia* include four conference rooms, cinema, gymnasium,

sauna, a large well-appointed dining room, helicopter-deck bar and 800 tonnes of fuel oil, enough to generate electricity for 18 months.

The hotels offer some employment to the local people, something which is very scarce in Dili. Apart from senior administrators, catering, reception, housekeeping and maintenance staff, both the Amos W and The Olympia are staffed mainly by 160 Dili locals, who were trained on the job in the hospitality business. They should not even dream to enjoy meals on these hotels, however, since lunch costs seven and dinner fourteen Australian dollars, while the workers' daily wage was about five Australian dollars (Hoy, 2000; Parry, 2000; *The Australian*, Dec. 12, 1999).

As far as ownership and management are concerned, the hotels float under a multi-layered ownership and management structure. Technically, the idea come from a 44-year-old Dutch naval architect, Gert Tissink, who had founded Intershops Ltd. with a group of Swedish, Norwegian, Dubai and British investors.

The Amos W -- a 200-bed offshore support vessel of the type normally used to accomodate oil-rig workers -- was floated in from Singapore and commissioned in Dili early December 1999 after an additional 54 modular rooms were quickly welded onto its configuration for the purpose of a UN contact. Then, a 400-bed floating hotel, the Olympia, was rushed from a dry dock either in Poland or in St. Peterburg.

Intershops Ltd's Singapore-based representative is Wouter Lap, while the Dili-based manager of the floating hotels is Simon Heppner. Captain Tony Sayers of Rig Management Services, Singapore, on loan to Intershops, is responsible to the UNTAET for mooring and relevant services on board. While all catering, housekeeping and laundry work of the floating hotels, is contracted to the Melbourne and Singapore-based company, Eurest (Hoy, 2000; *Dili Times*, Nov. 19, 1999; *The Australian*, Dec. 12, 1999; *Straits Times*, Febr. 12, 2000; *Deutsche Presse-Agentur* (DPA), Febr. 13, 2000; *Green Left Weekly*, March 8, 2000; other sources).

As mentioned earlier, Eurest is a joint venture formed only last year between Compass Plc, the UK-based and world largest food service company and ACCOR, the French-based global hotelier and by far the largest player in the Australian market, having among its group the Novitel and Sofitel hotel chains. Have strong ties with the Australian Defense Forces (ADF), Eurest won the majority of outsourced contracts over the last year and subsequently hired many former ADF personnel. It also bought out P&O food services division at the end of last year, and is thereby in charge of a huge catering contract for the Sydney 2000 Olympic Games athletes.

UNTAET staff staying in these hotels have the best accomodation in this rain-drenched city, where local Timorese are still trying to repair their burned houses, most of which had corrugated iron roofs. This paradox is angering Dan Murphy, an American doctor who has spent years improving the people's health and served them during the horrible days of the military and militia attacks.

Murphy is furious that the UN is not doing enough about the atrocious state of the health services in the country. "Women are still dying for want of a caesarian section," he said. "The problem is nothing is happening quick enough. It's all been very slow and it's almost imperceptible -- that is if it's happening at all. The UN seem more interested in getting their air-conditioned offices and small computers organised, and having endless meetings, than actually doing anything. These people are being sold short" (*Socialist Worker*, Dec. 17, 1999: 5). He is, however, is not the only one who has expressed his concern about the floating hotels as an indicator of the UN's skewed priorities or, as a symbol of the economic disparities with the two different Dili communities. Western journalist who visited Dili loved to expose these contradictions.

The contrasting wealth between the floating hotel's customers and the majority of the Dili local inhabitants even become more obvious, with Timorese vendors opening their makeshift food stalls on the beach near the iron walkway to the hotels. Emilio Gomes is selling beef satay (kebab meat on skewers) for Rp 500 each stick. Another person sells Portuguese bread rolls for Rp 1,000 each, and a woman sells grilled fish for Rp 5,000 each. None of these vendors have eaten at the air-conditioned floating hotel, where a dinner meal costs A\$ 14, roughly the same price as 112 sticks of Gomes' satay. "You must use dollars. That's expensive," said Ermenegildo do Rosario, who works with Gomes (*AFP*, Jan. 11, 2000).

This economic disparity, in a city where most of the young people are jobless may have motivated seven drunk youths carrying knives to threaten UN staff as they came and went from the floating Olympia hotel on Christmas eve. Hence, to avoid more violent confrontations, the CNRT has requested that the barge be moved to a beach several kilometres out of town (*Weekend Australian*, Jan. 10-11, 2000).

So, it is not surprising that Dili's first major industrial action took place on this symbol of economic disparity. On Thursday, February 10, 2000, the Olympia hotel made history as the site of the first labour strike since Timor Lorosa'e was liberated from Indonesian occupation. "We are demanding a minimum wage of ten Australian dollars (six US dollars) a day for a nine-hour day, that includes a one-hour lunch break. We also want the two managers be replaced by more sensitive people," one of the leaders of the Eurest employees, Domingos da Silva, told the press on the next day.

The sit-in developed into a strike with the Maubere Institute for Cooperation and Equity (MICE) -- an organ of the Timorese Socialist Party (PST) -- supporting the workers. Martin Hardie, the legal advisor to Avelino da Silva, PST secretary general, assisted da Silva to draft a legal agreement between the workers and the Eurest management that resulted in a pay rise from five to nine Australian dollars a day and a reduction of daily working hours from twelve to eight. In addition, the owners' representative, Wouter Lap, stated that two new managers will be brought in. The new deal was accepted by the hotel staff, and was signed on Saturday, February 12, 2000, by the Eurest vice-president, who flew in from Singapore for the occasion (*DPA*, Febr. 13, 2000; *Green Left Weekly*, Febr. 23 & March 8, 2000).

The new deal has also improved the working spirit of the Timorese workers on the two floating hotels. One waitress told a Darwin-based NGO activist that she

used to work for 9 hours a day, from 9 AM to 6 PM, and had only about 15 minutes break at 3 PM. She got lunch but had to just eat it quickly and rush back to work.

Meanwhile, for the management business is still booming for the two floating hotels, and the rates have been reduced. The Olympia is contracted to the UN, and therefore provides accommodation for UN staff and special guests, while the Amos W is contracted to the US government, and is the home to many US Marines and representatives from US corporations.

The only hurdle Euresit and Interships may face is Jose Ramos-Horta's plan to take the Olympia to court in New York for environmental damage to the Dili harbour. If this takes place, that would be a blow to the hotels' designer, Gert Tissink, who had claimed earlier that their filtration and evaporation systems both make 100 tonnes of fresh water daily, and also have their own sewage treatment plants (Hoy, 2000).

f. Portuguese business links:

As Timor Lorosa'e former colonizer, Portuguese companies have jumped on their government's bandwagon to gain -- or regain -- a foothold in the newborn country. Apart from meetings with UN officials in New York and elsewhere, two major visits from Portugal's top politicians have been utilized to promote trade and investment links with Portuguese companies. The first major event was the visit of Portuguese President Jorge Sampaio to Timor Lorosa'e on December 11, 1999, who was welcomed by the CNRT's decision, announced only a day before the president's arrival, to adopt Portuguese as the official language of Timor Lorosa'e (*Associated Press*, Febr. 11, 2000).

Then, the second major event was the visit of Portugal's Prime Minister, Antonio Guterres on April 25, 2000, which also marks the 26-th anniversary of the bloodless 'Captains Revolution' in Lisbon, which ended the Caetano-Salazar dictatorship in Portugal and started the decolonization process of Portugal's colonies in Africa and Asia. Unlike the president's visit which was more ceremonial, the prime minister was accompanied by a number of Portuguese ministers and business leaders, who signed several accords in Dili covering agriculture, education, coffee production and horticulture (*Sydney Morning Herald*, April 22, 2000).

f.1. Banco Nacional Ultramarino:

As soon as the UN Transition Administration of East Timor began to set foot in Dili, an old bastion of Portugal's influence in the country was revived: *Banco Nacional Ultramarino* (BNU). It began trading in Dili in the first week of December 1999, mainly taking care of the pensions of retired Portuguese civil servants (*Sydney Morning Herald*, Dec. 3, 1999; *Wall Street Journal*, March 15, 2000). This is after being absent for 24 years, when the key was taken with them by the Portuguese authorities that fled the civil war in Timor Lorosa'e in August 1975 (Jolliffe, 1978: 162).

Just like the World Bank in the modern world, during the Portuguese colonial time BNU linked all the colonial economies with Lisbon in two ways. First, through its financial 'assistance', and second, by dictating the economic directions each colony should take and how they should cooperate with each other. In Sao Tome e Principe, for instance, after the traffic in slaves was

abolished in April 1875, BNU saved the cocoa plantations by persuading Lisbon to permit indenturing of 'free labour' from the other African colonies of Portugal, in particular, Angola and Mozambique. The shipping of tens of thousands of indentured workers eventually triggered anti-colonial uprisings in the Zambezi Valley of Mozambique during the first two decades of the twentieth century.

This modern form of slavery resulted in an international boycott of cocoa from Sao Tome e Principe in 1909, when the islands had become the world's foremost producer. However, despite the boycott of certain British and German chocolate producers, the recruitment of indentured labour for the Sao Tome cocoa plantations still went on for decades, causing the UN to set up an Adhoc Committee on Forced Labour to deal specifically with the situation on this island colony of Portugal (Smyser, 1946: 677-678; Isaacman, 1976: 84, 94, 108; Torp, Denny & Ray, 1989: 133-134; Bosgra & Schaepman, n.d.: 26-30).

In comparison to some other Portuguese colonies, BNU's dominance was strongly felt in 'Portuguese' Timor, where it was the only bank allowed to operate. In Mozambique and Goa, by contrast, other foreign banks were allowed to enter the field from the late nineteenth century. In 'Portuguese' Timor, BNU also served as the bank of note issue, the Timor *pataca* being linked to the Macau *pataca* and the Hong Kong dollar (Gunn & Lee, 1994: 36).

When the Portuguese bank began trading again in Dili, it mainly paid out to ex-public servants of the former Portuguese colony crisply minted *escudo* notes. The bank also bought Australian and US dollars, but sold only *escudos*. Unlike the Australian dollar and the Indonesian *rupiah*, the Portuguese currency is as good as useless in this two-bank country because it cannot be converted. Stallholders do not want to touch it, neither will the UNTAET shop, nor Alex the manager of Hotel Turismo. The driver of one foreign mission in Dili who got paid in *escudos* was unable to spend them because there is no foreign exchange. How did he buy food for his family? "What can you do with the *escudo* if you cannot spend it at the market?" said one diplomat.

The saga of the *escudo* can be traced to one senior UN officer in Dili, David Harland, a New Zealander, who was the Acting Deputy Special Representative for the Secretary-General. Following meetings in New York between the UN, Australia and Portugal about procedures for paying former Timorese public servants their pensions, Harland signed an agreement allowing Banco Nacional Ultramarino to open business. The move had the support of several senior CNRT leaders, among them Jose Ramos-Horta.

Portugal's generous offer to underwrite Timor Lorosa'e's balance of payments for five years, amounting to about US\$ 100 million a year, may be one incentive for an appreciative UN to adopt the *escudo* as the local currency. The former head of the UN Mission in East Timor (UNAMET), Ian Martin, raised concerns about the establishment of a Portuguese bank paying *escudos* to public servants. "It should be done through the UN and should be fully integrated," he said. However, according to diplomatic sources in Dili, Harland was anxious not to upset the Portuguese. At any rate, Harland had undone weeks of discussions in New York that aimed to have Portugal's contributions paid through the UN Trust Fund for East Timor (*Sydney Morning Herald*, Dec. 3, 1999).

However, against the wishes of Portugal and the Portuguese-speaking elite of the country, the 15-member National Consultative Council decided on Monday, January 24, 2000, to adopt the US dollar as the official currency of Timor Lorosa'e, while it is still under the UN rule. This move has angered the CNRT, which had pressed for the adoption of the Portuguese *escudo* -- subsumed last year into the *euro* - zone (*Financial Times*, Jan. 25, 2000).

In addition to the currency issue, BNU's return may raise another issue in the newborn (or, reborn) country. Before the Indonesian invasion, BNU was the main underwriter of large coffee plantations which were wholly or partly owned by the Portuguese government and Portuguese nationals. During the depression of the 1930s, SAPT (*Sociedade Agricola Patria e Trabalho*), which owned the largest coffee plantation in 'Portuguese' Timor, was forced to divest around 48% per cent of its holdings to BNU and the Portuguese state (Gunn & Lee, 1994: 33-34, 38).

f.2. Cafes Delta:

With so Portugal's long history in the country's coffee economy it is not surprising that Portuguese businesses are also keen in resuming their control over this commodity. On February 25, 2000, Portuguese 'coffee king' Rui Nabeiro arrived in Dili, at the invitation of the CNRT leadership to study the purchase of some 2,000 tons of warehoused beans. Accompanied by a team of marketing and quality-control experts from his Cafes Delta company, Nabeiro met CNRT leaders Xanana Gusmao and Joao Carrascalao soon after landing at the Comoro airport in Dili.

As a result, the top coffee producer of Portugal decided to buy 4,000 tons of the Timorese coffee, thereby taking over the stake which had been held by US purchasers during the Indonesian occupation of the country. The coffee had been stored last year in the district of Ermera, after CNRT officials halted a sale to the New York-based National Cooperative Business Association (NCBA) following a dispute over prices.

Coffee is one of Timor Lorosa'e's few cash exports and its almost unique organic-grown beans are said to be prized by international coffee merchants. World Bank officials recently said that coffee production was good last year given that the harvest had not been affected by the post-referendum violence in the country. Production this year is estimated to reach 8,000 tonnes, which could earn an estimated A\$ 30 million. Through Cafes Delta, this cash crop could be exported to Australia, Africa, Canada, Europe and the US (*AP*, Febr. 8, 2000; *Lusa*, Febr. 25, 2000; *Sydney Morning Herald*, Febr. 28, 2000; *Financial Times*, April 4, 2000).

g. ASEAN business links:

g.1. Queenstown Investments:

This division of the Singapore-based Excalibur Group, is planning to build a resort at Dili with an 18-hole golf course. It has already opened a Western-style supermarket in the city, the first of fifteen planned around the country. According to Rob MacDonald, its project manager: "The projections are that it will really take off. If it's managed well, it has the potential to become better than Bali."

To fulfill its dream, Queenstown Investments is also considering motorcycle dealerships and hardware stores, and is chasing road-building contracts. It has Third World experience, having followed the UN into Cambodia, Mozambique and Somalia. "There's a lower level of risk associated with East Timor than many of the other places we have been in," MacDonald says. "A lot of places we have been in, people steal things and aren't interested in learning the business. They are good people, the Timorese. They are keen to learn, there is no ethnic conflict. I don't think I've been to a place where the people are so happy, despite all the hardship." MacDonald, who is training local staff to take over the business, plans to sell down Queenstown Investment's stake as the economy develops, retaining sole ownership of hotels and resorts. It pays an average local wage of A\$ 127 a month, and up to A\$ 200 for senior staff (da Silva, 2000: 60).

g.2. Bobby Tan's restaurant:

Bobby Tan, a Sino-Malaysian businessman who is also the business development manager of Timor Logistics Pty. Ltd., has opened a Chinese restaurant in Dili. As an American journalist Seth Mydans observes in highlighting the economic discrepancy in Dili:

"[the] new Chinese restaurant serving US\$ 50 meals is so crowded with foreigners that it has made a chic annex of the burned-out building next door, stringing it with Christmas lights. Just down the street, Eugenia Gago feeds her extended family on less than US\$ 5 a day, selling grilled meat to passers-by from the rubble of a burned-out shop. Unlike the Chinese restaurant she has no generator, so she stops when it gets dark" (*The New York Times*, April 22, 2000).

h. The World Bank's political transformation: from supporting genocide, to building a country from scratch:

Compared to all those private capitalists, the World Bank has a much more crucial role in the reconstruction and future development of Timor Lorosa'e. Understandably, the first major national capital city which Xanana Gusmao visited after his release from prison was Washington, DC. There the former guerilla leader, now in his three pieces suit, persuade the World Bank to allocate its resources to reconstruct and develop his country during the interim UN administration over the next years.

Xanana's plea did not fall on deaf ears. Klaus Rohland, the World Bank's country director for Papua New Guinea and the Pacific Islands, has been charged with coordinating the Bank's involvement with East Timor. Without waiting for grass to grow, Rohland himself led an international mission to conduct a three-week assessment of the country, assisted from the Bank's side by Sarah Cliffe and from the Timorese side by Mario Carrascalao, the longest serving governor of Timor Lorosa'e during the Indonesian occupation.

Serving under Mario Carrascalao were a group of Timorese economists and agronomists, most of who were still finishing their Ph.D.'s in the USA, Australia and Aotearoa (New Zealand), with the exception of Estanislau da Silva, an Australian educated agronomist working for the New South Wales government and incidentally also a member of CNRT, representing FRETILIN.

In their press conferences in Canberra and Dili, Rohland and Cliffe did not unveil much of their mission's findings, except that it may cost up to A\$ 375

million over the next three years, and that it will be discussed at a meeting of lending institutions and countries in Tokyo on December 17, 1999. They did mention, however, that in contrast to the poorly paid, graft-prone public service of more than 28,000 under the Indonesian occupation, the mission wants no more than 12,200 in the three-year transitional period, with nearly 90 per cent of these to be teachers and health workers. The mission also identified agriculture -- particularly coffee -- as central to the country's economy (*Sydney Morning Herald*, Nov. 10 & 19, 1999).

An article in the *Asian Wall Street Journal* sheds some light on what Timor Lorosa'e means to the World Bank. "This tiny, devastated former Portuguese colony is to become an important testing ground for the World Bank, the International Monetary Fund and a group of wealthy donor countries" (Casey, 1999). A testing ground for what? A testing ground to show the world how to build a macro-economic infrastructure from scratch.

They -- meaning the World Bank, the IMF and a group of wealthy lending countries -- have the task, according to Casey, "of building the foundation of the fledgling country's economy. A finance ministry, a revenue-collection agency, a monetary authority, a currency regime, customs and payments systems, regulatory bodies -- all probably will be designed and built by a clique of Washington-based economists and development planners."

The Bank has already aggressively sought to take charge. In addition to organizing an informal meeting of prospective Timor Lorosa'e lending institutions and countries in Washington, DC, during the last week of September 1999, in the next month the Bank had provided a three-week crash course in international economics to a small group of East Timorese economists. According to Casey:

The few ethnic East Timorese holding Ph.D.s are mostly former exiles living in places like Sydney or Lisbon, for whom starting a new life in Dili might be hard. Even so, World Bank staffers say they are impressed with the support they have found among the far-flung East Timorese diaspora.

What the World Bank -- and also Xanana and the young and overseas Timorese paired to the Bank's East Timor mission -- seem to forget, is that during the Indonesian occupation, the World Bank was also part of the problem, and not the solution. As several authors have highlighted, the World Bank was an active and very willing participant in two genocidal policies in Timor Lorosa'e, during the Indonesian occupation, namely (a) the so-called "transmigration" policy of resettling Balinese and Javanese farmers on the rice-fields of the Timorese farmers in the border areas and southern plains; and (b) the so-called "family planning" program, where Timor Lorosa'e in particular became targeted for the promotion of the more permanent fertility control techniques, such as Depo Provera injectables and Norplant implants. In fact, Timor Lorosa'e had the highest level -- 72.22% -- of all new users of injectables among all Indonesian provinces in 1993-1994 (Otten, 1986: 203-212; Aditjondro, 1994: 62-63; Scharfe, 1996: 52, 58, 75-77, 113; Sissons, 1997: 22-24, 36).

In addition, in 1992 the World Bank also happily took over the chair of the club of Indonesia's lending institutions and countries, which changed its name from

IGGI to CGI, after the Netherlands and Canada in protest against the November 12, 1991 Santa Cruz massacre (Scharfe, 1996: 167-174).

In other words, the World Bank helped to legitimise Indonesia's occupation by assisting the New Order regime to utilise all those "idle and under-utilised" rice-fields in the Maliana and Zumalai plains, and re-filling the population gap as a result of the deaths of a third of Timor Lorosa'e's pre-invasion population.

All those developmental sins, however, pale compared to the fact that the World Bank had allowed its 'social safety net' funds -- provided to enable the poorest of the poor living under Indonesian government control to cope with the financial crisis --- to be diverted to fund the paramilitary forces in Timor Lorosa'e. In a well-documented television news story aired on SBS 'Dateline' programme in Australia on Wednesday, February 16, 2000, it was shown how approximately A\$ 12 million of those funds, earmarked for welfare and development, were channeled to the militia. Although these allegations have been instantly denied by World Bank president, James Wolfensohn, the evidence -- in the forms of documents and testimonies by former Timorese collaborators -- is so compelling. In addition, similar leaked Indonesian government documents from Timor Lorosa'e had already reached the East Timor Action Network (ETAN) in New York, which has already urged the World Bank to withhold those funds based on that evidence on June 18, 1999 (*Dow Jones Newswire*, Febr. 16-17, 2000; *South China Morning News*, Febr. 16, 2000; *ABC*, Febr. 17, 2000; East Timor International Support Centre (ETISC) transcript of the SBS 'Dateline' program on *ASIET News List*, Febr. 17, 2000; *Joyo@aol.com*, Febr. 18, 2000).

i. Eric Hotung: CNRT's Special Economic and Financial Advisor:

The World Bank, however, is not the only official economic and financial advisor to the UNTAET and the CNRT. Particularly the CNRT has another special economic and financial advisor in the person of Eric Hotung. On January 3, 2000, the Hong Kong-based businessman and philanthropist was appointed Special Economic and Financial Advisor to the CNRT. The letter of appointment authorises Hotung, whose expertise is in money and banking, farming, fisheries and communications, and owns farms and orchards, "to initiate contacts, explore opportunities and to develop proposals in relation to his field of expertise" (Maher, 2000).

This appointment followed on several visits by CNRT vice president, Ramos-Horta, to Macau and Hong Kong, before the referendum, and a well-publicized charity mission by Eric Hotung to the devastated country in December 1999. On the latter occasion, Hotung was even mentioned by the media as a possible future head of the new country's Investment Board (*South China Morning Post*, Dec. 19, 1999).

Through his Hotung Institute of International Studies, the 74-years-old rich businessman and philanthropist has helped to formulate China's policy-making at the UN before the InterFET forces were sent to Timor Lorosa'e (*South China Morning Post*, Nov. 27, 1999).

On Wednesday, December 1, 1999, a ship owned by Hotung set sail from Fremantle in West Australia to Dili, laden with a five-tonne container full of relief goods and equipment for the Timorese people. The 95-metre vessel was

originally a 35-year old Australian Navy survey vessel, HMAS Moresby, which Hotung bought for about A\$ 500,000. After spending at least US\$ 2 million to repair and refit it at Fremantle, Hotung chose to rename the vessel after his wife and home in Hong Kong, "*Patricia Anne Hotung - Spirit of Hong Kong*."

The relief mission was carried out in collaboration with the UN and the International Organisation of Migration (IOM), which have determined what goods are most necessary for Timor Lorosa'e. The intention is that the ship will be at the disposal of the country's relief effort and could also be used to help bring back some of the 200,000 East Timorese refugees currently being held under militia control in Indonesian-controlled West Timor.

Hotung personally inspected the ship on Friday, December 10, before it set sail for Dili. Loaded on to the refitted former navy ship were relief goods ranging from cartons of nails and paper to shovels and furniture. These relief goods were to be handed over to Timor Aid, a Darwin and Dili-based aid organisation, which is involved in setting up a schooling project. Hence, Timor Aid staff loaded books and equipment alongside food, clothes and toys for the first Christmas to be celebrated by the kids in an independent Timor Lorosa'e. To express their gratitude, Timor Aid director, Juan Federer, held a reception in honour of the businessman and philanthropist at the Rydges Plaza Hotel in Darwin.

The mercy ship dropped anchor off Dili Bay on Sunday, December 12, amid praise from CNRT leaders Xanana Gusmao and Ramos-Horta, who described Hotung as "our old friend." In fact, Hotung had already hosted a dinner in Darwin for Xanana when he first arrived from Jakarta, last September. As Ramos-Horta said: "He bought us a ship, paid for it with his own money, and it is the first ship East Timor has." Another cocktail party was held in honour of Eric Hotung at the Turismo Hotel, one of the two hotels that had survived the post-referendum military and militia havoc.

On his arrival, Hotung expressed his intense personal satisfaction at the project, which had been brought online in less than two months. He recalled when he made what he called "the deal of the century" -- the sale of a property, No. 6, Blacks Link, for US\$ 94.2 million in 1997 -- and said that he could not think of a better way to spend some of the profits (*South China Morning Post*, Nov. 27, Dec. 11-13, 1999; *West Australian*, Dec. 7, 1999).

Hotung's mission, however, was certainly not pure philanthropical. With the hand-over of Macao and Hong Kong to China, obviously many Chinese business people are also looking for greener pastures. Hence, on his arrival in Dili, he discussed economic reconstruction efforts with Ramos-Horta and Xanana Gusmao, among others at Ramos-Horta's sister's house. As a source confirmed:

There were lots of confidential, sensitive meetings. They discussed with him everything from fisheries to telecommunications, asking him for help on all sorts of things. Not just medical, almost everything under the sun. Mr Hotung wants good causes and good people to make proposals to him (*South China Morning Post*, Dec. 19, 1999).

Speculations about the significance of Hotung's appointment to open the door to attract Chinese capital from Macau and Hong Kong is related with the fact

that Eric Hotung himself is related to the richest Chinese tycoon in Macau, Stanley Ho. Eric is a grandson of Sir Robert Hotung, who made his fortune through his support of the British colonial government before World War II (Welsh, 1997: 341-342, 419, 495; Maher, 2000). He is therefore the current patriarch of this wealthy Shanghainese-Eurasian family.

Stanley Ho, meanwhile comes from a different branch of the Hotung family (Maher, 2000). But what he lacks in terms of lineage he certainly has an abundance of in terms of material wealth. Stanley Ho (78-years), who has an estimated wealth between US\$ 2.3 billion and US\$ 2.7 billion collects commissions from ten casinos in Macau, and also controls a number of casinos in Portugal, Spain, Vietnam, apart from owning properties in Hong Kong, South Korea, Canada, Indonesia and Australia. His Australian properties include the Palm Meadows Golf Course on the Gold Coast (Queensland), Perth's Rydges Hotel and several residential developments in New South Wales. In addition, Stanley Ho is also the director of several Australian companies, such as United Food Corporation, Universal Enterprises and Perth Property Investments (Hiscock, 1997: 224-225; *Asian Business Review*, March 1998: 27; *The Australian*, Febr. 23, 1996 & June 17, 1999; *Sydney Morning Herald*, Nov. 27, 1999).

The possibility of Macau capital to flow to Timor Loro Sa'e, has also been recognised -- and even endorsed -- by the UN. According to a recent UNDP document:

The return of Macau by Portugal to China late in 1999 offers the possibility for some new investments to move to East Timor, especially given that senior East Timorese leaders have indicated they wish to develop a 'Portuguese friendly' policy, including to Portuguese speaking countries such as Brazil (UNDP, 1999: 5).

This explains why Xanana represented the CNRT in Macau on midnight, December 19-20, 1999, when Portuguese President Jorge Sampaio handed-over the colony to Chinese President Jiang Zemin, ending nearly 450 years of Portuguese occupation.

In the meantime, Eric Hotung could become a link not only for Overseas Chinese capital from Hong Kong and Macau, but also for Portuguese business ventures to come -- or, should we say, return? -- to Timor Lorosa'e. Travelling with Hotung to Timor Loro Sa'e was the Pretender to the Portuguese throne, Don Duarte, the Duke of Braganza. It was the duke who helped inspire the Hong Kong-based businessman to provide relief to the East Timorese people, and it was through this royal connections that Eric Hotung was made a Marquez de Baucau in 1997. Both dukes made an airborne dash to Baucau which held memories for them what Macau was like about 40 years ago (*South China Morning Post*, Dec. 19, 1999).

Questions about Eric Hotung's business motives, his cozy relationship with the CNRT leaders, which has never been openly discussed with the young independence fighters as well as Hotung's relations with Stanley Ho, caused the young Timorese journalists in Dili to turn down Timor Aid's invitation to welcome the rich philanthropist at the reception in Hotel Turismo, last December.

In their written communication with the author, two spokespersons for Eric Hotung have countered these suspicions. Eric Hotung and Stanley Ho are not friends and have neither met nor spoken to each other for decades. The last time they met was in Macau more than 30 years ago. There has been no contact between the two since then. Then, Eric Hotung's only connection with Portuguese investments is an endowment to the convent at the Colegio Santa Rosa de Lima in Macau. He was made Marquez de Baucau because of his interest in helping the people of Timor Lorosa'e, and his interest in the country is philanthropic. He has no business interests in Timor Lorosa'e at this time (Maher, 2000; Hobson & MA, 2000).

Whatever his motives are, Hotung's charity activities in Timor Lorosa'e did not end in December. On his second trip to the country on January 14-20, 2000, Hotung donated a small electrical plant and a new water supply system to Sister Maria Lourdes' orphanage in Dare and flew in, at his own expense, almost a quarter of a million Hong Kong dollars worth of medical supplies for Dr Dan Murphy's clinic in Bairo Pite and examined plans for a modern, pre-fabricated tuberculosis clinic for the people of Timor Lorosa'e. The TB clinic was expected to be in place before the end of February 2000. Also, the *Patricia Anne Hotung* has been turned into a mercy ship, which has sailed back and forth between Dili and Kupang to return refugees from West Timor, in conjunction with the IOM (Maher, 2000).

j. The absence of agrarian reform:

In all the plans and efforts to reconstruct and develop the war torn country, what seems to be missing, so far, is talks or plans on how to redistribute the excessive land holdings originating from the two former colonial periods.

Since agriculture, and coffee in particular, is a major focus of the World Bank's reconstruction plan, agrarian reform is definitely very relevant. As shown in Table 1, about 60% of the coffee plantations are still in the hands of smallholders, 10% is in the hands of large family plantation owners, or *facenderos*, and 30% was in the hand of the Portuguese government company, SAPT (*Sociedade Agricola Patria e Trabalho*), which during the Indonesian occupation was taken over by a military-backed company, PT Salazar Plantations.

A Portuguese *facendero*, Antonio Brito, was fortunate enough to keep managing his seven coffee plantations in a profit-sharing arrangement with the Indonesian military. A Portuguese journalist, Rui Araujo, described Brito, a former branch manager of Banco Nacional Ultramarino as:

[A] privileged person. He works, and works hard for the Indonesians. There are few others like him. To encourage the Timorese, Jakarta pays the collaborators generously. They want them to set an example by (creating a) contrast between plenty and generalized penury. Inequality serves, on top of it all, to create or emphasise the abyss that is beginning to separate the Timorese from each other. (By) creating first-class and second-class citizens, Indonesian is applying the old axiom of dividing to dominate (Budiardjo and Liem, 1984: 100).

Now that the Indonesians have left, legal problems might occur in relation to the future of Brito's and ex-SAPT plantations. SAPT is the oldest large scale coffee plantation in the country, established in 1897 by Governor Celestino da

Silva. In 1904, the Companhia de Timor, also based on metropolitan capital, emerged as a rival to SAPT in the coffee plantation business in Ermera. By the 1910s they were joined by four other companies, the most important of which was *Associacao Commercial Agricola e Industrial de Timor* (ACAIT) administered by da Silva's son. By 1910, an additional 6,000 hectares of land had been granted by the colonial rulers to other individual Portuguese planters (Gunn and Lee, 1994: 33-34; Abrantes, 1994: 20-22).

This practice of rewarding colonial nationals with coffee plantations was also adopted by the Indonesian colonizers. During my first return to Timor Lorosa'e in 1993, after an absence of nearly 20 years, I discovered that a West Timorese development worker associated with what was then the Christian Church of East Timor (GKTT), had become a rich man since his support for the 'integration' operation had been rewarded by the Indonesian military by handing over one of the coffee plantations, deserted by its original owners, to this person.

East Timorese collaborators were likewise rewarded with coffee plantations. Francisco Lopes da Cruz, Indonesia's former roving ambassador for East Timor, had received a 20-acre coffee plantation and the adjacent luxurious house in Gleno, Ermera, from the new rulers. This plantation became the main source of income for his family in Dili, when the former UDT leader was demoted to Jakarta by the new colonial powers (Kamm, 1981; da Cruz, 1999: 148).

This raises the question: will a future, democratically-elected government in Dili still recognise absentee ownership of land granted by the former colonial powers to foreign nationals and their Timorese collaborators? Which may open the door to other foreign control of Timor Lorosa'e land by foreign governments, foreign companies, and foreign individuals?

If, on the contrary, a democratically-elected Timor Lorosa'e government will not allow foreign control of land in the country, then decisions need to be made in the immediate future -- not waiting for two to three years -- how to redistribute the 16,000-Ha of land which was taken over by the Indonesian military from SAPT, Antonio Brito, and other large and mostly absentee landlords. This question also applies to large plantations with commodities other than coffee, such as coconut, which was also heavily dominated by SAPT and SOTA, and was obviously also taken over by Indonesian army-backed interests.

In addition, a decision needs to be made, whether the *facenda* system will still be allowed to be continued, even if the *facendero* family members have already moved out of their *facenda* into non-farming business. Mario Carrascalao's own opinion is that the *facendas* should be taken over by the new government, by paying a certain compensation to the former owners. The next step is to redistribute those mostly idle coffee plantations to the actual farmers, which may have a huge employment effect.

Table 1:
Composition of coffee plantations in Timor Lorosa'e

Category	Proportion (%)	Acreage (hectares)
1. Smallholders	$\pm 60\% \pm 33,000$ Ha	
2. Facenderos	$\pm 10\% \pm 5,500$ Ha	
a. Alexander Brito, owns seven plantations in Ermera, totalling		$\pm 1,000$ Ha
b. Manuel Viegas Carrascalao manages, on behalf of the Carrascalao family, Facenda Algarve in Ermera		360 to 521 Ha
c. Frank Antonio Favaro, own Nova Dili coffee plantation in Capela, 14 km from Dili		28 Ha
d. Portuguese landlords (?), own <i>Sociedade Belo Horizonte Limitada</i> (SBH Ltda.)		
3. SAPT (<i>Sociedade Agricola Patria e Trabalho</i>) Group	$\pm 30\% \pm 16,500$ Ha	
a. original SAPT plantation in Fatubesse, Ermera		$\pm 1,100$ Ha
b. <i>Sociedade Oriental de Transportes e Amazens Limitada</i> (SOTA Ltda)		
c. <i>Sociedade de Turismo e Diversoes de Timor</i>		
d. <i>Empresa Agricola de Timor</i>		
e. <i>Fundo de Habitacoes Economicas</i>		
f. <i>Sociedade Monis da Maia Serra e Fortunato</i> (MMSF Sarla)		
g. <i>Chun Fa Hoc Tong de Timor Club</i>		
h. <i>Associacao Commercial Agricola e Industrial de Timor</i> (ACAIT)		
Total acreage		$\pm 55,000$ Ha

Sources: Jenkins (1980); Budiardjo and Liem (1984), pp. 100-101; Abrantes (1994), pp. 20-22, 51-52; Gurn and Lee (1994), p. 34; Timor Timur Dalam Angka 1993. Dili: BAPPEDA Tht. I & Kantor Statistik Propinsi Timor Timur, p. 200; *Sydney Morning Herald*, March 29, 1997; Interview with Mario Carrascalao in Darwin, November 11, 1999.

Mario's idea still has to be discussed with the eleven other siblings of the Carrascalao family, especially Mario's eldest brother, Manuel, who had taken over the plantation from his father, Manuel Viegas Carrascalao Sr. In my interview with Manuel Carrascalao on November 14, 1999 in Dili, he seems to have no objections against that idea. This is probably because he sees his business future more in the tourism industry in Dili, which he has entered in partnership with Wayne Thomas. But the opinion of younger brother, Joao Carrascalao, who heads the UDT, is still not clear, because agreeing to that idea

means that one of the crucial differences between the right wing UDT and the left wing FRETILIN, has to be abandoned.

Large land holdings are not limited to those families, who might try to regain the land appropriated from them by the Indonesian occupation forces. During the Indonesian occupation, the second biggest land holder after the Suharto family, which at one stage controlled 564,867 hectares (Taudevin, 1999: 139), is the Catholic church, which is controlled by the numerous parishes and collegios.

So, if we exclude the former Suharto land-holdings, which will definitively be taken over by the future Timor Lorosa'e government and returned to their rightful owners, then it may be said, safely, that the Catholic Church is the largest landlord in the country. It covers many tracts of land all over the country, from Fuiloro in Lautem in the east, to Fohorem in Covalima in the west. Or, just outside Dili, it covers the Fatunaba stretch of land from the War Memorial south of Dili to the former seminary in Dare. According to the latest official Indonesian data, the Catholic Church in Timor Lorosa'e controls 4,000 hectares of land, covering 278 parcels of land in the form of coffee plantations, rice fields, plots of land owned by churches and schools, and other forms of land use (Suryosuwarno, 1993: 4).

This church-related agrarian reform should not only be focused on redistributing excessive church land, but also a review of the relations between local church authorities and peasants, where renting of church-owned tractors and other mechanical equipments usually involve a portion of the peasants' harvest. This, in fact, means that in their daily life, the same parishioners are basically the church's sharecroppers.

The question is, has the UNTAET and CNRT any interest in those issues? What limits should be put on land-holdings in rural areas? Should those limits only be put to rural properties, or also urban properties? Who is entitled to own land in Timor Lorosa'e: only those born in this country, before the Indonesian invasion, or also those born after the invasion?

The basic question is, however: should the future Timor Lorosa'e government base its agrarian policy on Timorese customary law and customary land right systems, which often prohibit outsiders who are not members of the local *knua* (clan) from owning land in their respective hamlets? Or, should the government develop a new agrarian law, which would simply white-wash the disparities and social stratification created by the Portuguese colonial system of 'bribing' *deportados* with large *facendas*, as well as appropriating the Maubere people's land to rich and powerful people from the Metropole or to the Catholic Church?

If the basic solution to solve all land disputes in Timor Lorosa'e is to uphold the customary land rights of the indigenous people, who have marginalised by two colonial powers in a row, then at least the customary land law of three ethno-linguistic groups need to be investigated. In the case of the coffee plantations, the future government should investigate the customary law of the Mambai people, whose homelands covers Ermera, Aileu, Ainaro and Manufahi (Traube, 1986: 25).

In the case of transmigration, the customary land law of the Bunak and Kemak peoples in Maliana and, again, the Mambai land law in Manufahi, should be investigated. And in the case of land appropriation in the Eastern tip (*Ponta Leste*), where a hydro-power plant was planned, the customary land law of the Fataluku people should be investigated. This all demands a full time investigation, which preferably should be initiated by the CNRT Legal Affairs Taskforce, as soon as the land courts in Timor Lorosa'e is going to be opened on January 6, 2000.

An overall policy of agrarian reform should also cover the large land holdings of the Catholic Church, to abolish an archaic form of exploitation which dates back from the Portuguese colonial era. Obviously, various church institutions may still need to keep some of that land to generate the funds to cover their costs, but a substantial part of what is currently church land was also obtained from parishioners as a form of gratitude, or as a form of future investment, after the occupation forces had left their country.

k. The absence of plans to develop Timor's onshore oil resources:

In addition to agrarian reform, what is also missing is any serious discussion or plan to develop the onshore oil and gas resources of Timor Lorosa'e. This absence is interesting, since it reminds me of the way the Indonesian regime tried to impress the Timorese people about how generous it was in "developing" the poor Timorese, who supposedly did not own enough natural resources to become an independent nation-state.

The existence of onshore oil and gas reserves of Timor Lorosa'e, and the entire Timor islands group, including the island of Rote, has been known among the oil companies at least since the 1960s. In Timor Lorosa'e itself, the existence of oil deposits on the south coast of Viqueque and in Cribas and Pualaca in Manatuto, has been known to outsiders at least since the 1970s (Wilkinson, 1983: 264; Flynn, n.d.: 83-84; Boyes, 1994: 29).

The existence of the oil pools in the Pualaca river bed in particular has been known by the two top CNRT leaders since their childhood. Xanana Gusmao was born in Manatuto and studied in the *collegio* of Soibada, while Jose Ramos-Horta's late stepbrother, Antonio Horta, "managed" the Puala oil wells and regularly sold that oil to the *collegio* (Aditjondro, 1999c: 11).

In my field trip to the Pualaca oil fields on November 16, 1999, I discovered that the local villagers still collect the crude oil, separate it from the water, and sell it in bamboo and plastic containers on the back of their ponies to the markets in Soibada, Laclubar, Natarbora and Barique. They treated the oil as a common good, for which they do not have to pay tax to any government institution, since the oil reserves were inherited from their ancestors, who had even told a genesis myth about those oil reserves.

The local villagers also remember Antonio Horta as the "manager" of the Pualaca oil deposits, which ended after the Indonesian invasion in 1975. Antonio Horta, however, received the "oil manager" function from his father, Juan Horta, a Portuguese *deportado* whom the colonial government had appointed as *chef de posto* (subdistrict chief) in that area.

Francisco Soares, an old hamlet chief (*chefe de povoacao*) who was my main source of information said that he remembered that both Antonio Horta and Jose Ramos-Horta were born in Pualaca. Nevertheless, he questioned the right of Juan Horta to appoint his own son to "manage" the oil deposits. He could not tell, whether the revenues were handed over to the Portuguese government, or to the Horta family.

IV. CONCLUSIONS

Based on all those observations, the following ten conclusions can be drawn.

- (1). All these empirical evidence indicate that Fanon's observation of post-colonial states in Africa, where the new national middle class became a "transmission line between the nation and [global] capitalism" is very relevant in analysing the current situation in Timor Lorosa'e.
- (2). The destruction of Timor Lorosa'e by the Indonesian military and Timorese collaborators and the forced deportation of a quarter of its population, has created an excellent market and bonanza for Australian businesses, which were the major contributors of previous regimes in Canberra and Darwin, which for more than two decades had supported the occupation of East Timor.
- (3). While more than a billion dollars is being pumped into the country, there is no serious study on the proportion of those funds which is actually leaving the country in money, goods and services. This is despite the fact that a significant proportion of the relief and hardware is purchased from overseas. Also, a significant proportion of the aid funds are used to hire foreigners, who consume imported food and beverages and are staying in foreign-owned hotels and after a short period, these expatriates are leave the country, without a significant 'trickle down' or 'multiplier' effect for the local, grassroots economy. Furthermore, with the very low standard of wages for local workers, set by the business community and endorsed by the UN, Timorese workers are basically subsidising the cost of living of the expatriate community, if one compare those local wages with wages in similar industries in Australia's Northern Territory.
- (4). Due to his favoritism towards the Portuguese speaking diaspora elite, Xanana Gusmao has alienated himself from the masses of the educated young people of his nation, who had stayed behind and fiercely fought the occupation forces on their own turf.
- (5). This alienation from the majority of the young people, the male-biased leadership, the favoritism towards one political party (UDT) and FALINTIL among the CNRT leadership, and the very limited pool of Timorese joint venture partners may create legitimacy problems for a future democratically elected Timor Lorosa'e government.
- (6). The absence of a code of conduct among CNRT officials and employees raises the questions of conflict of interests of those in political power who are simultaneously involved, or related to those involved as joint-venture partners of the overseas investors.
- (7). The absence of a socially and environmentally friendly foreign investment policy and the aggressive promotion of Australian businesses into the country is

turning Timor Lorosa'e into a paradise for market-driven foreign investors, without considering the real need for foreign investment.

(8). By failing to investigate the urgency of agrarian reform in Timor Lorosa'e, the World Bank - CNRT mission may intensify future problems of social justice and agricultural productivity.

(9). By failing to investigate the onshore oil and gas potentials in Timor Lorosa'e, the World Bank-CNRT mission is neglecting a wonderful natural resource, which may have a more immediate trickle-down and multiplier effects for the villagers in the oil and gas rich areas.

(10). As a result of all the aspects discussed above Timor Lorosa'e is rapidly moving away from its previous status as Jakarta's colony towards becoming a new outpost of global capitalism in the Asia-Pacific region, due to the absence of a democratically-elected government which relies more on its own people's resources and traditions and would therefore put on the brakes and be more selective towards this massive influx of foreign capital.

V. RECOMMENDATIONS:

Based on the previous conclusions and the observations elaborated in this paper, the author wants to propose the following six recommendations.

(1). A democratically elected government in Timor Lorosa'e should instantly carry out a comprehensive agrarian reform program, which includes an investigation into the origin of large land holdings in the urban as well as rural areas, an assessment into the productivity of those land holdings, both for agricultural as well as non-agricultural uses, issuing a limit to permissible land holdings, and drafting the mechanism and procedure for transferring excessive and absentee landholdings to landless farmers and urban dwellers, with proper compensation to the former landlords.

(2). The formation of a Foreign and Domestic Investment Board, where investment proposals are available for public scrutiny is also highly recommendable to prevent the Timorese people from being ripped off by individuals who had made a fortune out of their sufferings in the past.

(3). Before being allowed to become joint venture partners of foreign investors in this country, Timorese and other individuals who had collaborated with the occupation forces should first publicly denounce their past mistakes and elaborate how their future business ventures would benefit the people whom they have harmed.

(4). To avoid potential conflicts of interests, the UNTAET should pay reasonable salaries to all members of the National Consultative Council (NCC) as well as CNRT's fulltime staffpersons, who should be prohibited from directing any business and should put all their family's shares in a blind trust during their term of office.

(5). The appointment by the UN or CNRT leadership of any foreign national to strategic positions such as Special Economic and Financial Advisor, or head of the Foreign Investment Board, should be opened to public debate and public

scrutiny, to avoid future mistrust or any potential of conflicts of interest between those individuals public positions and private business interests.

(6). All future loans from the World Bank to reconstruct and develop Timor Lorosa'e economy and social infrastructure should be turned into grants, to compensate for legitimizing Indonesia's illegal occupation of this still-born nation by financing transmigration, family planning, and the murderous paramilitary activities in the wake of the referendum.

Newcastle, April 25, 2000

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